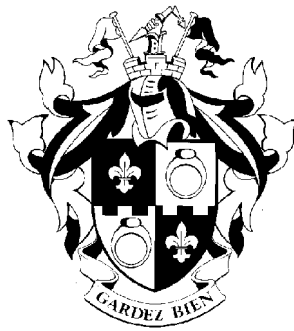


2008 EVALUATION OF THE BETHESDA URBAN PARTNERSHIP, INC.



OFFICE OF LEGISLATIVE OVERSIGHT
REPORT NUMBER 2009-3

OCTOBER 7, 2008

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EXECUTIVE SUMMARY

2008 EVALUATION OF THE BETHESDA URBAN PARTNERSHIP, INC.

OFFICE OF LEGISLATIVE OVERSIGHT REPORT 2009-3 / OCTOBER 7, 2008

The County Council established the Bethesda Urban Partnership (BUP) in 1993 as the urban district corporation for the Bethesda Urban District. By law, an urban district corporation exists for five years and then must be reauthorized by Council resolution and approved by the County Executive. BUP's current term ends on January 31, 2009. The Office of Legislative Oversight's legally mandated evaluation finds that the Bethesda Urban Partnership continues to fulfill its mandated responsibilities. OLO recommends the Council reauthorize BUP for another five years.

BUP'S ORGANIZATIONAL STRUCTURE AND RESPONSIBILITIES

A Board of Directors oversees the Bethesda Urban Partnership. The Board consists of 11 members appointed by the County Executive and approved by the County Council. BUP currently employs 37 staff members in four divisions: internal operations, field operations, marketing, and transportation management.

By law, "urban districts are created to provide public services and facilities that are: (1) primarily of benefit to the property and persons within the urban district rather than to the County as a whole; and (2) in addition to services and facilities that the County provides generally" (County Code Chapter 68A). The table below lists BUP's responsibilities, as authorized by County law and associated County contracts, and the services BUP provides to fulfill them.

AUTHORIZED RESPONSIBILITIES	BETHESDA URBAN PARTNERSHIP SERVICES
Maintain and enhance streetscape amenities	<ul style="list-style-type: none">• Perform maintenance and landscaping in the public right-of-way and at public parking lots and garages in Bethesda• Perform maintenance and landscaping of state highways at "gateways" to Bethesda
Promote, organize, and support cultural, recreational, and business activities	<ul style="list-style-type: none">• Maintain a website, interact with local media, and publish free booklets and brochures that promote Bethesda• Organize special events that promote Bethesda's restaurants and businesses and offer entertainment to residents and visitors• Promote cultural activities in the Bethesda Arts and Entertainment District
Advance the business and residential environment and sense of community	<ul style="list-style-type: none">• Provide assistance to Bethesda visitors• Respond to emergency maintenance or safety issues• Work with the community to address urban district concerns
Enhance safety and security in public areas	<ul style="list-style-type: none">• Respond to police requests for assistance, such as clearing the roadway of debris related to storms or vehicle collisions
Provide specialized transportation services	<ul style="list-style-type: none">• Operate the Bethesda Circulator trolley
Increase the number of people using alternative modes of transportation for commuting to Bethesda	<ul style="list-style-type: none">• Assist employers with the development of traffic mitigation plans• Market alternative transportation options to employers and employees• Promote the County's Super Fare Share program• Conduct an annual survey of employees to monitor changes in transportation use
Services in other urban districts	<ul style="list-style-type: none">• Provide trash collection and street sweeping service in the Wheaton and Silver Spring Urban Districts

FEEDBACK ON BUP'S SERVICES

County Government and community representatives interviewed by OLO report that BUP provides high quality services and is responsive to questions and requests. Further, BUP is perceived as working collaboratively with County Government, businesses, and residents to resolve problems and coordinate activities in downtown Bethesda.

Focus group feedback on BUP's performance gathered by the Maryland Association of Nonprofit Organizations during BUP's strategic planning process similarly evidenced positive views of BUP's performance. The focus groups included representatives from County Government as well as employers, residents, customers, and developers in downtown Bethesda. All of the focus groups had positive comments about the services BUP provides, including compliments for the staff, praise for the high quality of BUP's street cleaning, and a sense that BUP generally does a good job. Employees, customers, and residents indicated that BUP staff were approachable and helpful, which helped to promote a sense of community in Bethesda.

BETHESDA URBAN PARTNERSHIP'S FINANCES

The table on the next page shows BUP's actual revenues and expenditures during the previous four fiscal years. BUP receives revenue from a combination of County and non-County sources. From FY05-FY08, 93% of BUP's revenue came from the County Government and 7% came from non-County sources. During this period, BUP's County revenue increased by 52%, while non-County revenue increased by 65%.

BUP's County revenue comes from multiple contracts to provide:

- **Urban District Management** services, such as maintenance and landscaping, promoting downtown Bethesda, and planning special events, under a contract managed by the Bethesda Chevy-Chase Regional Services Center. This contract is BUP's largest single source of revenue.
- **Bethesda Transportation Management District (TMD)** services, such as promoting alternate modes of transportation and conducting an annual commuter survey of employees in the Bethesda TMD under a contract managed by the Department of Transportation. In FY07 and FY08, this contract also included management of the Bethesda Circulator trolley. In FY09, the Circulator became part of the contract to manage the urban district.
- **Groundskeeping services at public parking lots and garages in Bethesda** under a contract managed by the Department of Transportation.
- **Street sweeping and trash collection services in the Silver Spring and Wheaton Urban Districts** under one contract with the County to provide street sweeping and one to collect trash from public receptacles in the Silver Spring and Wheaton Urban Districts.

BUP's non-County revenue comes from event income and sponsorships, advertising on the Bethesda Circulator, and contracts that BUP holds with other entities (e.g., State Highway Administration, Imagination Stage) to provide services. BUP uses this additional revenue to enhance services and to fund an equipment replacement reserve.

BUP's expenditures divide into six main categories: field operations (e.g., maintenance), marketing and special events, transportation management, the Bethesda Circulator, internal operations, and an equipment replacement reserve. BUP's total expenditures were \$4.1 million in FY08, an increase of 46% compared to FY05 expenditures of \$2.8 million. A large portion of this \$1.3 million increase was the cost of running the Bethesda Circulator (\$710,000 in FY08), which was added to BUP's expenditures in FY07 when BUP took over its management.

From FY05 to FY08, BUP's revenues exceeded expenditures. BUP's non-County revenue accounted for most of this difference (\$25,000 to \$200,000 per year). Also, the transportation management contract allows BUP to retain unspent funds for general and administrative overhead. Other County contracts reimburse BUP on a fee for service basis or do not allow BUP to retain funds.

Bethesda Urban Partnership Revenues and Expenditures, FY05 – FY08

	FY05	FY06	FY07	FY08
Revenues (\$000s)				
County Contracts	2,645	2,862	3,580	4,013
Urban District Management	1,962	2,107	2,344	2,486
Transportation Management	463	518	546	588
Bethesda Circulator	--	--	452	698
Groundskeeping at Public Parking Lots and Garages	22	21	22	26
Street sweeping and Trash Removal in Wheaton and Silver Spring	197	216	215	216
Non-County Revenue	188	200	285	311
Total Revenue	2,833	3,062	3,865	4,324
Expenditures (\$000s)				
Field Operations	1,243	1,233	1,397	1,454
Marketing and Special Events	729	761	790	835
Bethesda Circulator	--	--	577	710
Transportation Management	444	491	478	570
Internal Operations	356	437	448	488
Reserve for Equipment Replacements	36	36	50	50
Total Expenditures	2,808	2,959	3,740	4,108

SOURCES OF COUNTY FUNDING FOR CONTRACTS WITH BUP

The revenue for BUP's contracts with the County Government primarily comes from two sources:

Bethesda Parking Lot District (PLD) Fund. The Bethesda PLD Fund receives revenue from a property tax on commercial and non-commercial property in the PLD, parking fees and fines collected within the PLD, and investment income. By law, these funds may be used to operate, construct, and renovate parking facilities in Bethesda and fund the Urban District and transportation management activities in Bethesda. In FY08, approximately \$3.8 million (15%) of expenditures from the Bethesda PLD Fund were transferred to the Bethesda Urban District and the Bethesda TMD, both managed by BUP.

Bethesda Urban District Fund. The Bethesda Urban District Fund receives revenue from an urban district tax on real and personal property, transfers from the Bethesda PLD, and maintenance charges paid by optional method developers. In FY08, approximately \$2.5 million (97%) of expenditures from this fund went to BUP's contract with the County to manage the urban district.

BETHESDA URBAN PARTNERSHIP'S STRATEGIC PLAN

BUP's Board of Directors recently approved a new 2008-2012 strategic plan with goals for maintenance, marketing, transportation, and internal operations. The Board determined that BUP's focus should be on "...its core mission of maintenance, marketing, and transportation management initiatives." The Board also identified five items for discussion with the County, which are listed as part of Recommendation #3 on the next page.

OLO offers the following recommendations for Council action regarding the Bethesda Urban Partnership:

Recommendation #1: Reauthorize the Bethesda Urban Partnership for another five-year term and retain the requirement for an OLO evaluation prior to reauthorization.

OLO's review confirmed that BUP's activities continue to fulfill the purposes of the organization. In addition, OLO found that BUP's public and private sector customers are pleased with the quality of BUP's work.

Recommendation #2: Require BUP to develop a new five-year strategic plan before the next reauthorization.

In developing the organization's next strategic plan, OLO recommends the Council encourage BUP to:

- Continue to seek input from constituents at the beginning of the strategic planning process, and
- Refine the process of soliciting comments on BUP's proposed objectives from relevant County Government departments prior to finalizing the strategic plan.

Recommendation #3: Convene a Council Committee worksession with representatives from BUP and the County Government to discuss five issues identified in BUP's strategic plan.

Issue (a): Extending BUP's authorization from the current five-year term to a ten-year term. BUP's Board proposes that the Council extend the authorization period to ten years based on BUP's successful performance. The Board suggests that after five years BUP could provide the County with a detailed report and a new five-year strategic plan. OLO recommends that the Council retain the five-year authorization period, which allows the Council to evaluate BUP's performance and consider changes to BUP's purpose, responsibilities, or finances.

Issue (b): Moving administration of the Bethesda Transportation Management District contract from the Department of Transportation to the Bethesda-Chevy Chase Regional Services Center. BUP's Board suggests a change in contract administration for the Transportation Management District contract for "greater efficiency." OLO recommends that the County Council ask the County Executive to consider this request, but to carefully identify the advantages and disadvantages of shifting contract administration before making a change.

Issue (c): Implementing a biannual budget cycle, with a change to an off-cycle review time that still allows for an annual review of funds. BUP receives funding from the Bethesda Parking Lot District and the Bethesda Urban District Funds. The Board believes that it would be beneficial to have an off-cycle budget because it can "be confusing to other county groups and local media" when the County reviews BUP's budget along with those that are funded through the General Fund.

OLO recommends that BUP continue to adhere to the County Government's annual, fiscal year budget cycle because BUP's funding is linked to several other funding structures in the County and a change to BUP's budget cycle could limit the Council's prerogative to set funding priorities and tax rates.

Issue (d): Expanding the route and hours of the Bethesda Circulator. BUP is exploring potential options for expanding Circulator services, which would increase operating costs. OLO recommends that the Council discuss how this would impact Circulator financing and its priority level relative to competing needs.

Issue (e): Expanding BUP's responsibility for lighting and crosswalk repair. BUP's Board has concerns about lighting in Bethesda and believes that crosswalk maintenance could improve. Increasing BUP's role in these activities would have contractual and funding implications. The Council should discuss BUP's concerns and the current arrangements for lighting and crosswalk repair with BUP and the County Government.

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**2008 EVALUATION OF THE
BETHESDA URBAN PARTNERSHIP, INC.**

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CHAPTER I. Authority, Scope, and Organization of Report

A. AUTHORITY

Council Resolution 16-673, *Fiscal Year 2009 Work Program of the Office of Legislative Oversight* and Chapter 68A of the County Code.

B. SCOPE AND ORGANIZATION OF REPORT

Chapter 68A of the County Code authorizes the County to establish urban district corporations to provide services within the County's urban districts. By law, an urban district corporation exists for five years after its articles of incorporation are accepted for recording by the State Department of Assessments and Taxation. An urban district corporation can be extended for an unlimited number of additional five-year terms by a resolution adopted by the County Council and approved by the County Executive. Before the County renews a corporation's term, the law requires the Office of Legislative Oversight to conduct a performance evaluation that includes feedback from property owners, business owners, and residents from in and around the urban district.

Bethesda is the only urban district in Montgomery County that has an urban district corporation. In 1994, the Bethesda Urban Partnership, Inc. (BUP) began its first term as the urban district corporation to manage the Bethesda Urban District. In this capacity, BUP performs landscaping and other maintenance services, plans special events, and promotes the urban district and oversees the operation of the Bethesda Circulator, a shuttle serving the downtown area. BUP also manages the Bethesda Transportation Management District and the Bethesda Arts and Entertainment District.

In 1998 the County Council released an OLO evaluation of the Bethesda Urban Partnership's first five years of operation and shortly after reauthorized BUP for another five-year term. OLO conducted another evaluation of BUP in 2003, and in January 2004 the County Council approved Resolution No. 5-461, which reauthorized the Bethesda Urban Partnership for its third five-year term starting on February 1, 2004 and ending on January 31, 2009.

To aid the Council as they consider the reauthorization of BUP for a fourth term, this OLO report will include:

- A description of BUP's current services, staffing, and financing, highlighting major changes to BUP's operations since OLO's last evaluation in 2004;
- Feedback on BUP's performance from County government and community representatives who regularly interact with BUP; and
- Identification of issues for the Council to discuss when considering reauthorization of BUP for another term.

C. ORGANIZATION

Chapter II, Background - Special Districts in Bethesda, describes urban districts in general and describes other designated districts in downtown Bethesda.

Chapter III, Overview of the Bethesda Urban Partnership, provides an overview of BUP's governing structure, including State and County laws governing BUP, as well as a history of BUP since the organization's creation in 1993.

Chapter IV, Organizational Structure and Operations, describes BUP's staffing and the maintenance, marketing, transportation management, and other services it provides.

Chapter V, Finances, describes BUP's funding sources and expenditures for the past five years and the sources of County revenue spent on BUP services.

Chapter VI, Bethesda Urban Partnership Strategic Plan, reviews progress that BUP made on implementing their 2003 strategic plan and highlights goals BUP has identified in their new 2008 strategic plan.

Chapter VII, Feedback from County Government and Community Representatives, provides feedback on BUP's performance from a variety of individuals who interact directly with BUP or benefit from the services they provide.

Chapters VIII and IX present the Office of Legislative Oversight's **Findings and Recommendations**.

Chapter X, Agency Comments, presents comments from the County's Chief Administrative Officer and the Bethesda Urban Partnership's Board of Directors on the final draft of this report.

D. METHODOLOGY

Office of Legislative Oversight staff members Jennifer Renkema and Sarah Downie conducted this study. The research for the report consisted of examination of County laws and operating budget documents and review of documents provided by BUP such as financial reports, BUP's most recent strategic plan, and materials describing BUP's work. OLO also met with the BUP Board of Directors and BUP staff. To obtain feedback on BUP's performance, OLO interviewed County staff and other individuals who interact with BUP on a regular basis. OLO also used feedback from focus groups facilitated by the Maryland Association of Nonprofit Organizations during BUP's strategic planning process.

E. ACKNOWLEDGEMENTS

OLO would like to thank the Bethesda Urban Partnership staff for their cooperation, especially Dave Dabney, Jeff Oyer, Stephanie Coppola, Jeff Burton, and Danielle Milo. OLO would also like to thank Jason Hoffman of the Bethesda Arts and Entertainment District Board of Directors, Nelson Cooney of the Bethesda Transportation District Advisory Board, Ginanne Italiano of the Bethesda-Chevy Chase Chamber of Commerce, and Carol Trawick, a former member of both the BUP Board of Directors and the Bethesda Arts and Entertainment District Board of Directors.

OLO appreciates the assistance of County Government staff including Ken Hartman from the Bethesda-Chevy Chase Regional Services Center; Natalie Cantor and Joe Callaway from the Mid-County Regional Services Center; Jerry Sanford and Mark Rockman from the Silver Spring Regional Services Center; Carolyn Biggins, Sandra Brecher, James Carlson, William Selby, Philip McLaughlin, Chuck Menter, and Tommy Shoemaker from the Department of Transportation; Brady Goldsmith from the Office of Management and Budget; Wayne Jerman and Russel Hamill from the Police Department; James Resnick from Fire and Rescue Services; Sharon Suarez, Wayne Koempel, and Elza Hisel-McCoy from the Planning Department; Brian Woodward and Brooke Farquhar from the Park Department; and Susan Cymek from the Department of Finance.

CHAPTER II. Background - Special Districts in Bethesda

The Bethesda Urban Partnership manages three overlapping districts in downtown Bethesda: the Urban District, Transportation Management District, and Arts and Entertainment District. This chapter provides background information about these special districts as well as the Bethesda Central Business District and the Bethesda Parking Lot District, which also impact the work of the Bethesda Urban Partnership. Specifically,

Section A, Overview of Urban Districts, summarizes County Code Chapter 68A, which authorizes the creation of urban districts.

Section B, Other Districts in Bethesda, describes the Parking Lot District, Transportation Management District, Arts and Entertainment District, and Central Business District located in downtown Bethesda.

A. OVERVIEW OF URBAN DISTRICTS

County Code Chapter 68A, Montgomery County Urban Districts, permits the County Council to create urban districts. Urban districts are special taxing districts with diverse commercial, institutional, and residential development that the County desires to “maintain and enhance...as prosperous, livable urban centers.”¹

The Council has established three urban districts: the Bethesda Urban District, the Silver Spring Urban District, and the Wheaton Urban District. The map on page 8 shows the boundaries of the Bethesda Urban District. As of 2007, development data for the Bethesda Urban District showed that the district includes:

- 8 single-family housing units,
- 3,420 multi-family housing units,
- 7.2 million square feet of office space, and
- 1.4 million square feet of retail space.²

Purpose. The County Code requires that services provided in urban districts primarily benefit property and persons within the district and are in addition to services normally provided by the County. For example, the County may provide services that:

- Promote the commercial and residential interests of these areas,
- Maintain and enhance streetscape amenities,
- Program public interest activities,
- Enhance safety and security in public areas, and
- Include “any capital project that promotes the economic stability and growth of the district.”³

¹ County Code § 68A-2(a)

² Planning Department, Research and Technology Center

³ County Code § 68A-3(b)

Funding. The County funds urban districts through five sources:

- An urban district tax that may not exceed \$0.30 per \$100 of assessed property value;
- Parking lot district fees, limited to the number of parking spaces multiplied by enforcement hours per year multiplied by \$0.20;⁴
- A charge on optional method development property for the cost of maintaining off-site amenities such as streetscape improvements;⁵
- Transfers from the County's general fund which may be subject to repayment (the Bethesda Urban District no longer receives revenue from this source); and
- Other revenue collected by the urban district from various sources, such as charges for services or private contributions.

Funds for urban districts may only be used for the district where they are collected and for the purposes listed on the previous page.⁶ Additionally, the law states that "the proceeds from either the urban district tax or parking fees transferred into an urban district fund must not exceed 90 percent of their combined total."⁷

Management. An urban district may be managed by a County department, such as a Regional Services Center, and a citizen advisory board that is appointed by the County Executive and confirmed by the County Council.⁸

Alternatively, the Council may create an "urban district corporation" to manage the urban district.⁹ If so, the corporation must have a board of directors that is appointed by the County Executive and confirmed by the County Council.¹⁰ The Bethesda Urban Partnership is the urban district management corporation for the Bethesda Urban District. The Silver Spring and Wheaton districts do not have corporations.

B. OTHER DISTRICTS IN BETHESDA

In addition to the Bethesda Urban District, there are four other districts in the downtown Bethesda area: the Parking Lot District, Transportation Management District, Arts and Entertainment District, and Central Business District.

⁴ See page 6 for a description of parking lot districts.

⁵ Optional method development is "property for which the owner has agreed with the Maryland-National Capital Park and Planning Commission to be responsible for installing and maintaining both on-site and off-site improvements." (County Code § 68A-1(h))

⁶ County Code § 68A-4(d)

⁷ County Code § 68A-4(c)

⁸ County Code § 68A-5 (a)

⁹ County Code § 68A-9 (a)

¹⁰ County Code § 68A-10 (a)

1. The Bethesda Parking Lot District

A parking lot district (PLD) is a legally designated geographic area defined in Chapter 60 of the County Code in which the County can assess a special property tax and collect parking fees (e.g., parking meter or permit fees) to acquire, build, maintain, or operate off-street parking facilities. Parking fees may also be transferred to an urban district fund, transportation management district, or to the Department of Transportation for transit-related activities within a PLD that does not have a transportation management district. Any fees transferred to a transportation management district must not exceed the fees collected in that district. Taxes and fees must be used in the PLD where they were collected.¹¹

The Bethesda PLD is one of four parking lot districts in the County. The other districts are in Silver Spring, Wheaton, and Montgomery Hills.

2. Transportation Management District

A transportation management district (TMD) is a geographic area established by the County Council to reduce traffic congestion through transportation demand management. The goals of transportation demand management are to: “increase transportation capacity; reduce existing and future levels of traffic congestion; reduce air and noise pollution; and promote traffic safety and pedestrian access.”¹²

The County Code allows the Department of Transportation to sign sole source contracts with a transportation management organization to carry out transportation management programs in a TMD.¹³ In 1999, the Council established a TMD in Bethesda, and the Bethesda Urban Partnership became the transportation management organization for the Bethesda TMD through a contract managed by the Department of Transportation.¹⁴

Funding for activities in a transportation management district may include a transportation management fee charged to optional method developers or owners of existing commercial and multi-unit residential buildings.¹⁵ Additionally, funds may be transferred from a PLD to fund TMD activities.¹⁶

3. Arts and Entertainment District

The Bethesda Urban District received State of Maryland designation as an Arts and Entertainment District in 2002 in order to promote the visual and performing arts in Bethesda through tax incentives, special events, and other initiatives.

¹¹ County Code § 60-16 (a, c)

¹² County Code § 42A-22 (f)(1-4)

¹³ County Code § 42A-23 (c)

¹⁴ Resolution 14-56

¹⁵ County Code § 42A-29 (a)

¹⁶ County Code § 60-16 (c)(1)(B)

Specifically, to encourage artists and entertainment venues to locate in Bethesda, this designation provides County tax incentives including certain property tax credits and exemption from the admission and amusement tax for art and entertainment establishments and artists who reside and work in the district.¹⁷ In addition, the Bethesda Urban Partnership, which manages the district, markets the arts in Bethesda and organizes events that showcase visual and performing arts.

4. Central Business District

The Bethesda Central Business District (CBD) is a planning area designated by the Maryland-National Capital Area Park and Planning Commission for downtown Bethesda. The 1994 sector plan for the Bethesda CBD and its 2006 amendment to the Woodmont Triangle area aim to establish a core development area around the Bethesda Metro Station that includes diverse commercial and residential property; encourages cultural activities; improves streetscapes; and addresses transportation and pedestrian needs.¹⁸

Specific goals outlined in the plan include:

- Encouraging the development of retail through sufficient parking availability, improved pedestrian accessibility, a circular bus route, directory maps to direct visitors to retail destinations, and marketing activities;
- Establishing Bethesda as a cultural center;
- Creating a transportation management organization to manage transportation demand in the Bethesda CBD; and
- Improving the streetscapes using methods such as planting trees and burying utilities to reduce visual clutter.

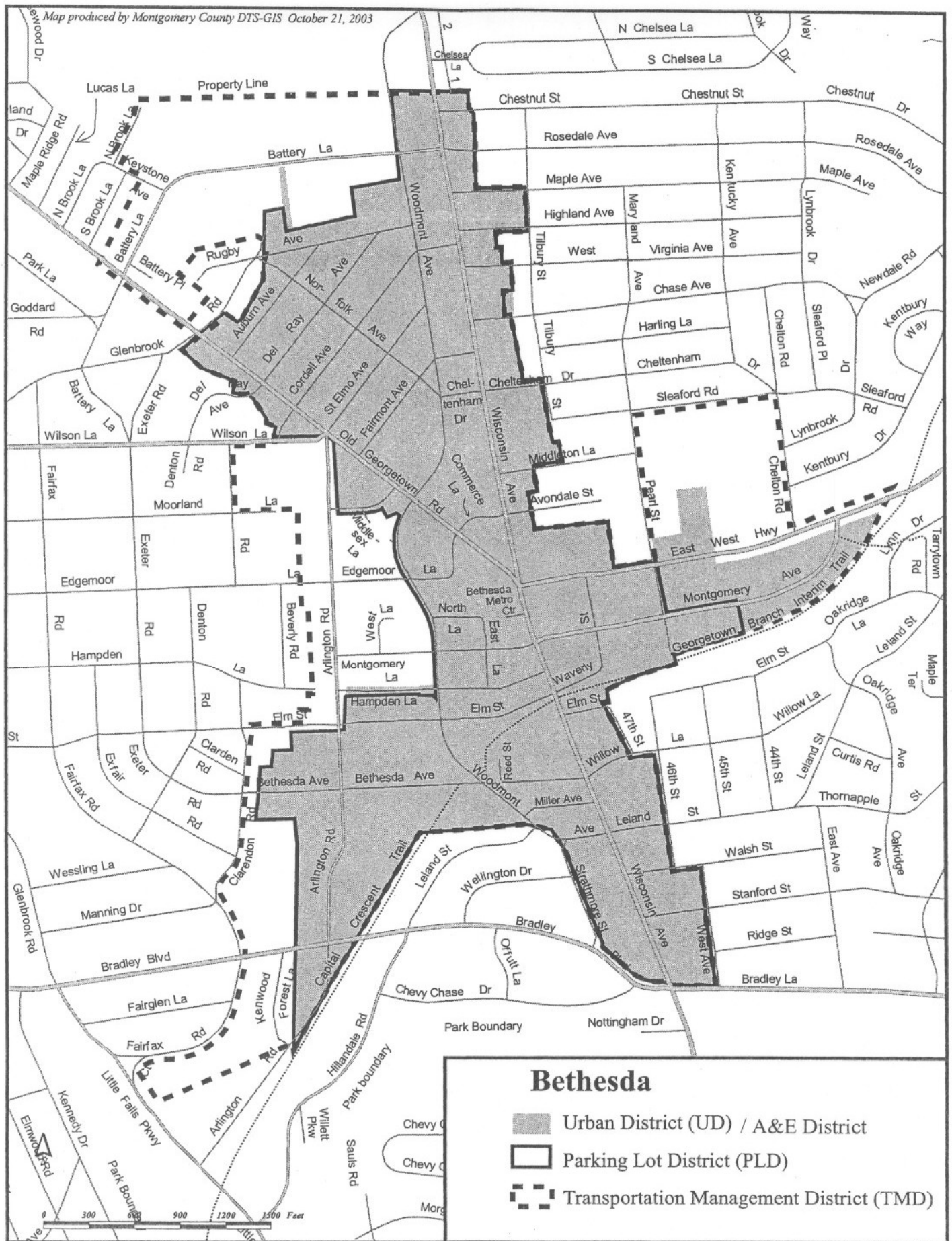
The map on the next page shows the geographic relationship among the Bethesda Urban District, Parking Lot District, Transportation Management District, and Central Business District. While the boundary of the Bethesda Urban District and Arts and Entertainment District are the same, they differ slightly from the boundaries of the other districts. Specifically, the map shows that:

- The Parking Lot District is slightly smaller than the Urban District, ending just east of Pearl Street; and
- The Transportation Management District is larger than the Urban District, extending farther west and including an area outside the Urban District north of East West Highway.

Although not pictured on the map, the Central Business District is the largest of the districts. It encompasses the entire TMD, but also extends south to Nottingham Drive and Willett Parkway, west to Tilbury St., and includes the area between Pearl St. and the Bethesda Urban District.

¹⁷ Md. Code art. 83A Department of Business and Economic Development, § 4-(702-703); COMAR 24.05.26; Montgomery County Code Chapter 25 § 52-18L

¹⁸ *Bethesda Central Business District Sector Plan*. (July 1994); *Woodmont Triangle Amendment to the Sector Plan for the Bethesda CBD*. (March 2006)



CHAPTER III. Overview of the Bethesda Urban Partnership

The County Council established the Bethesda Urban Partnership (BUP) in 1993 as the urban district corporation for the Bethesda Urban District. This chapter describes BUP's governance structure and history in the following sections:

Section A, Governance Structure, describes State and County laws and resolutions governing BUP. It also describes guidelines from the Bethesda Central Business District Sector Plan and BUP's Articles of Incorporation and Bylaws.

Section B, History of the Bethesda Urban Partnership, describes important events and changes to BUP's responsibilities between 1993 and 2004, as well as Council action related to BUP at the time of the 2004 reauthorization.

A. GOVERNANCE STRUCTURE

1. State and County Laws and Resolutions Governing the Bethesda Urban Partnership

a. Code of Maryland, Commercial District Management Authorities

Maryland law authorizes charter counties to create commercial district management authorities for the purposes of "promotion; marketing; and the provision of security, maintenance, or amenities within the district."¹ State law also allows the County to fund the authority through taxes and fees and to approve the authority's annual budget.

b. Montgomery County Code Chapter 68A, Urban Districts

The County Code permits the Council to establish "urban district corporations" to manage urban districts (described in Chapter II) in accordance with State law regarding commercial district management authorities. The County Code describes an urban district management corporation as "a public instrumentality of the County...[that]... is not within the Executive or Legislative branches of County government, is separate and distinct from the County, and is an independent entity." Additionally, an urban district corporation is considered a "non-stock corporation under the Corporations and Associations Article of the Maryland Code."² In 1995, the County Attorney concluded that an urban district corporation is a "public entity" under County procurement laws, which allows the County to enter into a contract with an urban district corporation without competition.³

¹ Maryland Code art. 25A, Chartered Counties of Maryland § 5(FF)(ii)

² County Code § 68A-9 (a)

³ County Code § 11B-41 and February 8, 1995 memorandum from Assistant County Attorney Melnick (Appendix A)

Services. The County Code states that an urban district corporation may provide:

- “[P]romotion, organization, and support of cultural, recreational, and business activities;
- [S]pecialized transportation services;
- [E]hancement and maintenance of streetscape; and
- [O]ther initiatives to advance the business and residential environment and sense of community.”⁴

The County Code also notes that a corporation may:

- Provide services outside its boundaries if the service will primarily benefit the urban district, and
- Provide authorized services to another urban district.⁵

Management and Employees. Chapter 68A requires an 11-member Board of Directors composed of a diverse group of business and residential representatives. The Board is appointed by the County Executive and confirmed by the County Council.

The law also states that the Board may have committees that are chaired by a Board member and are open to participation by non-Board members. The Board “directs all aspects of the program, management, and finances of the corporation,” may establish rules of procedure, and adopts bylaws for the corporation.⁶ The Board also appoints an executive director for BUP.

The executive director and other employees of an urban district corporation are not County employees and are not eligible to participate in the County’s retirement program. However, corporations may participate in the County’s health insurance program if the corporation pays the employer’s share of the premiums. BUP has participated in the County’s health insurance program since 1998.

Budget and Procurement. The law requires urban district corporations to annually prepare and submit a budget to the County’s Office of Management and Budget for review and approval as part of the County’s budget process. Corporations must also submit an annual independent audit and management letter and financial report.⁷

⁴ County Code § 68A-9 (b)

⁵ County Code § 68A-9 (b)

⁶ County Code § 68A-10 (d, f, g)

⁷ County Code § 68A-12 (d)

Urban district corporations are not subject to County procurement law, however, the law calls for corporations to make use of the County's centralized purchasing system.⁸ The law also requires corporations to make a "good faith" effort to meet County goals for purchasing recycled goods and contracting with minority, female, and disabled-owned businesses; the corporation must submit an annual report to the County on these efforts.⁹

Evaluation and Termination. Chapter 68A states that an urban district corporation exists for five years after the Maryland Department of Assessments and Taxation accepts its Articles of Incorporation. The law authorizes the County Council to renew the corporation for additional five-year terms after a performance evaluation by the Office of Legislative Oversight.¹⁰

c. Resolution 14-56, Establishment of a Transportation Management District in the Bethesda Central Business District

In 1999, the Council passed Resolution 14-56 establishing a transportation management district (TMD) within the Bethesda Central Business District. The resolution authorizes the Department of Transportation to enter into a contract with a transportation management organization to operate the TMD. The resolution states that the transportation management organization will:

- Monitor and assess traffic patterns and pedestrian access and safety;
- Promote traffic and parking control measures;
- Promote transportation-related capital projects;
- Promote or implement transit and ridesharing incentives;
- Promote cooperation between the County and other government agencies;
- Create and implement cooperative County/private sector programs to increase ridesharing and transit use; and
- Submit a biennial report to the Department of Transportation in even-numbered years.

The resolution also requires the Bethesda TMD to have an advisory committee that is 1) appointed by the County Executive and confirmed by the County Council, or 2) appointed by the Transportation Management Organization.¹¹ The Bethesda Urban Partnership acts as the Bethesda TMO and appoints the advisory committee.

The TMD Advisory Committee's responsibilities include advising BUP and the County Department of Transportation on transportation management issues in downtown Bethesda and advising BUP on TMD operations.¹²

⁸ County Code § 68A-11(d)

⁹ County Code § 68A-11 (d)(1) and County Code §11B, Articles 13-14

¹⁰ County Code § 68A-12 (e), County Code §68A-13 (a,b)

¹¹ County Code § 42A-23(e)

¹² Resolution 14-56

Under Resolution 14-56, funding to implement transportation management programs for the Bethesda TMD may include fees from the Bethesda Parking Lot District, a transportation management fee on new and existing development, and allocation of state or federal grant funds.¹³

2. Bethesda Central Business District Sector Plan

The 1994 Bethesda Central Business District Sector Plan states that the Bethesda Urban Partnership should participate in implementing some of the objectives of the plan, including “retail enhancement, ‘cultural district,’ and streetscape objectives.”¹⁴

3. Bethesda Urban Partnership Articles of Incorporation and Bylaws

County law requires the County Council and County Executive to approve an urban district corporation’s articles of incorporation and bylaws. BUP’s Articles of Incorporation establish the name and duration of the corporation, set forth the powers and restriction on powers, and describe the Board of Directors. They also describe the purposes of the organization.¹⁵ According to BUP’s Articles of Incorporation, the corporation’s purposes are to:

- “Provide more direct involvement of the community of Bethesda in the provision of services;
- Enlist the active interest and financial support of individuals, citizen and civic groups, firms, and corporations concerned about the improvement of the Urban District;
- Provide service, in addition to the services and facilities the Montgomery County Government provides generally;
- Promote and program public interest activities that benefit both residential and commercial interests of the Urban District;
- Collaborate and cooperate with federal, state and county agencies, civic associations and other improvement associations, and business associations;
- Have and to exercise to the extent necessary or desirable for the accomplishment of any of the aforesaid purposes...any and all powers conferred upon non stock corporations; and
- Support the activities of the other nonprofit organizations serving the Bethesda Urban District.”¹⁶

BUP’s Bylaws describe the structure of the Board of Directors, including the terms of Board members, Board meetings, and officers and committees of the Board. It also describes the duties of the Executive Director and the Corporation’s finance and procurement practices.

¹³ County Code § 42A-29

¹⁴ *Bethesda Central Business District Sector Plan*. (July 1994), p. 258.

¹⁵ *Articles of Incorporation of Bethesda Urban Partnership, Inc. A Nonstock Corporation*.

¹⁶ *Ibid*. Article III, § 3 (a-g)

The Council and Executive approved the Bethesda Urban Partnership's Articles of Incorporation and Bylaws in 1993. BUP must submit any changes to the Executive and Council for approval. Neither BUP's Articles of Incorporation nor Bylaws have changed since they were first approved, with the exception of amending the Articles of Incorporation to reflect reauthorization of BUP.

B. HISTORY OF THE BETHESDA URBAN PARTNERSHIP

1. Bethesda Urban Partnership from 1993-2004

The County Council established the Bethesda Urban District in 1993 and created BUP to manage the district the same year. Since BUP was established, the corporation has been reauthorized twice and has taken on additional responsibilities. Table 3-1 presents a timeline of events from 1993-2004.

Table 3-1: Bethesda Urban Partnership Timeline, 1993-2004

Date	Event
December 1993	Council creates BUP to manage the Bethesda Urban District and approves BUP's Articles of Incorporation and Bylaws (Resolution 12-1400)
December 1998	Council reauthorizes BUP until January 31, 2004 (Resolution 13-1994)
February 1999	Council adopts Resolution 14-56 which: <ul style="list-style-type: none">• Establishes a transportation management district in Bethesda• Allows creation of a Transportation Management Organization (TMO)• Approves BUP as a grantee for the TMO
December 1999	BUP begins managing the Bethesda Transportation Management District
April 2002	<ul style="list-style-type: none">• State of Maryland designates Bethesda as an Arts and Entertainment District• BUP becomes the manager of the Arts and Entertainment District, a separate non-profit corporation
January 2004	Council reauthorizes BUP until January 31, 2009 (Resolution 15-461)

2. 2004 Reauthorization of the Bethesda Urban Partnership

In 2003, OLO conducted an evaluation of the Bethesda Urban Partnership before the Council's reauthorization of BUP in January 2004 for an additional five-year term from February 1, 2004 through January 31, 2008. OLO's report recommended that the Council:

- Reauthorize the Bethesda Urban Partnership, Inc. for another five years, and retain the requirement for an OLO evaluation before the next reauthorization.

- Ask BUP to work with Executive Branch staff to examine BUP's 2003 Strategic Plan in detail, and to further develop items in the plan for the Council's consideration.
- Ask BUP to produce biennial updates on BUP services, and short-term goals and initiatives; and continue to develop five-year strategic plans that outline longer-term goals and initiatives.

Additionally, during the Council's consideration of the BUP reauthorization, BUP representatives advocated extending the organizations' term for ten years instead of five years.

Based on OLO's recommendations and the comments from the Bethesda Urban Partnership, in January 2004 the Council chose to:

- Reauthorize the Bethesda Urban Partnership for a third five-year term from February 1, 2004 through January 31, 2009.
- Ask BUP to work with the Executive Branch to finalize the 2003-2007 strategic plan with particular attention to examining potential legal implications of portions of the plan; budgetary and funding impacts; programmatic and contractual impacts; and further definition of the initiatives including approaches to funding and implementation; and
- Ask the Executive Branch for comment on the feasibility of changing the reauthorization period from a five-year term to a ten-year term.

At that time, the Management and Fiscal Policy (MFP) Committee also indicated an intent to meet with the Executive Branch and BUP at a later time to discuss the strategic plan and the possibility that BUP could provide updates on their activities on a more frequent basis.

The MFP Committee Chair solicited comments from the Chief Administrative Officer on BUP's request for a ten-year term. The CAO supported: "two five year terms with OLO evaluations prior to reauthorization."

Since 2004, the Council has taken no further action on BUP, including the length of the authorization term, with the exception of confirming the County Executive's appointments to the Board of Directors.

CHAPTER IV. Organizational Structure and Operations

This chapter describes Bethesda Urban Partnership's (BUP) oversight structure as well as the services that BUP provides. The chapter is organized as follows:

Section A, Organizational Structure, provides an overview of the County's oversight of BUP, describes the boards and advisory committee that oversee BUP, and offers a description of BUP's staffing and internal organization;

Section B, Bethesda Urban Partnership Operations, describes maintenance, landscaping, marketing, transportation management, and other activities included in BUP's operations.

A. ORGANIZATIONAL STRUCTURE

1. County Government Oversight

The County Code requires County Government oversight of the Bethesda Urban Partnership, including approval of articles of incorporation and bylaws, review and approval of an annual budget, and evaluation and reauthorization every five years. Additionally, BUP receives a majority of its funding through five contracts administered by County departments. As a result, BUP must meet contract requirements.

The **County Executive** appoints and is authorized to remove Board members; designates an ex-officio, non-voting member of the Board; and recommends a budget for BUP.

The **County Council** confirms the Executive's appointments to the Board, reviews and approves BUP's annual budget; approves amendments to BUP's Articles of Incorporation and Bylaws; and determines whether to reauthorize BUP.

The **Office of Legislative Oversight** evaluates BUP every five years prior to the Council's consideration of reauthorizing BUP for an additional term.

The **Bethesda-Chevy Chase Regional Services Center; Mid-County and Silver Spring Regional Services Centers; Department of Transportation, Division of Parking Management; and the Department of Transportation, Division of Transit Services** administer County contracts for services from the Bethesda Urban Partnership.

In addition, BUP interacts with other County Government and community partners on a regular basis. Chapter VII describes these relationships in more detail.

2. Board and Advisory Committee Oversight

a. Bethesda Urban Partnership Board of Directors

A Board of Directors that is appointed by the County Executive and confirmed by the County Council oversees the Bethesda Urban Partnership. In accordance with the County Code, BUP's Board of Directors includes:

- An ex-officio, non-voting member as the County Executive's designee;
- Two members nominated by the Greater Bethesda-Chevy Chase Chamber of Commerce;
- Three owners of optional method development properties;
- One owner, partner, proprietor, or corporate officer of a small business;
- One resident of the Bethesda Urban District;
- One resident of a community that neighbors the Bethesda Urban District;
- One resident who lives within the planning area; and
- One resident who is a member of the citizen advisory board.¹

The Board "directs all aspects of the program, management, and finances of the corporation," may establish rules of procedure, and adopts bylaws for the corporation.² The Board also appoints an executive director for BUP.

b. Transportation Management District Advisory Committee

BUP also works with the Bethesda Transportation Management District Advisory Committee. Resolution 14-56, which establishes the Bethesda Transportation Management District requires an advisory committee of 11 voting members, including:

- Three nominees of the Greater Bethesda-Chevy Chase Chamber of Commerce,
- Four nominees of the Western Montgomery County Citizens Advisory Board, and
- Four members from employers located within the TMD.

The advisory committee must also include non-voting representatives from the Bethesda-Chevy Chase Regional Services Center, the Department of Transportation, the County Planning Board, the Police Department, and the National Institutes of Health or Navy Medical Center.³

As permitted by Resolution 14-56, BUP's contract with the County to manage the TMD stipulates that BUP's Board of Directors will appoint the TMD Advisory Committee.

¹ County Code § 68A-10 (a), See Appendix B for a list of current BUP Board members.

² County Code § 68A-10 (d, f, g)

³ Resolution 14-56, a complete list of current advisory committee members is included as Appendix C

The TMD Advisory Committee's responsibilities include advising BUP and the County Department of Transportation on transportation management issues in downtown Bethesda and advising BUP on TMD operations.

c. Arts and Entertainment District Board of Directors

The BUP Board also works with the Board of Directors for the Bethesda Arts and Entertainment District. As a separate non-profit organization, the Arts and Entertainment District has its own 10-member Board of Directors who represent residents, businesses, the Greater Bethesda-Chevy Chase Chamber of Commerce, and optional method developers. Additionally, the Board includes non-voting representatives from the Bethesda-Chevy Chase Regional Services Center, the Maryland-National Capital Park and Planning Commission, and the Arts and Humanities Council of Montgomery County.⁴

The Board's responsibilities include overseeing BUP's Arts and Entertainment District activities, monitoring Arts and Entertainment District expenditures, and providing a quarterly advisory report to the Bethesda Urban Partnership Board.⁵

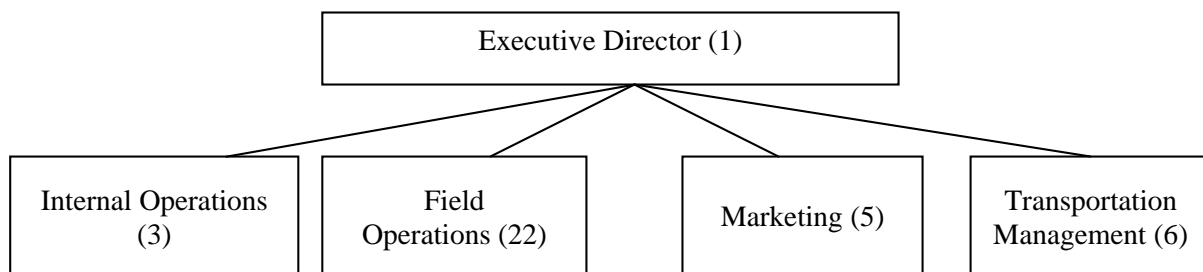
3. Operations and Staffing

BUP's operations are divided into four divisions: Internal Operations, Field Operations, Marketing, and Transportation Management. BUP established the Internal Operations division in 2003 and hired a director of finance to oversee it in 2005.

Since 2003 the number of BUP's employees changed from 27 full-time and three part-time positions to 34 full-time and three part-time positions. The area with the most growth was Field Operations, which added three positions. Although Internal Operations was a new division, only the director of finance was a new position.

Exhibit 4-1 shows the Partnership's organization and indicates the number of staff associated with each division. Each division has a Director who reports to BUP's Executive Director.

Exhibit 4-1: Bethesda Urban Partnership Organizational Chart



⁴ See Appendix D for a list of current Arts and Entertainment District Board members.

⁵ Interview with Jason Hoffman, chair of the Arts and Entertainment District Board of Directors (August, 2008)

B. BETHESDA URBAN PARTNERSHIP OPERATIONS

This section describes the activities of BUP's Internal Operations, Field Operations, Marketing, and Transportation Management divisions. It also describes other BUP activities, including operation of the Bethesda Circulator trolley, public safety and security enhancement, and miscellaneous other services.

1. Internal Operations

The Internal Operations division has three staff and manages BUP's finances and administration. BUP created this division in 2003, and hired a full-time director of finance in 2005. Prior to this, BUP had a contract for a part-time bookkeeper. Outside auditors recommended that BUP expand this office due to the increased complexity and size of BUP's budget.

The primary responsibilities of this division include:

- Maintaining BUP's financial records and providing monthly financial reports to the Board of Directors;
- Preparing annual budgets and cost analysis;
- Managing the annual audit required by the County Code and BUP's contracts with the County;
- Reporting to the County's Chief Administrative Officer on BUP's efforts to contract with minority, female, and disabled-owned (MFD) businesses and procurement of recycled goods, as required by County Code;⁶ and
- Managing human resources and office administration, including employee compensation and equipment purchases.

Copies of the reports submitted to the County on contracting with MFD businesses and procurement of recycled goods indicate that from FY04-FY06, BUP contracted with five MFD businesses. In FY07, BUP eliminated two of these contracts. BUP also reported purchasing recycled office supplies.

2. Field Operations

BUP's Field Operations division, with 22 staff, is the largest of the four divisions. Field Operations staff manage maintenance and landscaping activities, the Ambassador Program, and the Bethesda Circulator.

a. Maintenance and Landscaping

BUP's field operations staff provide a wide variety of maintenance and landscaping services. The field operations team includes a director, a field operations manager, and two field supervisors, who conduct regular inspections and keep a service log to monitor service provision and quality.

⁶ County Code § 68A-11 (d)(1)

i. Maintenance and Landscaping in the Bethesda Urban District

The Bethesda Urban Partnership has an annual agreement with the County to manage the Bethesda Urban District. The Bethesda-Chevy Chase Regional Services Center administers this contract. The FY08 agreement, which is similar to the FY05-FY07 agreements, states that BUP will conduct maintenance activities on public rights-of-way in the urban district.⁷

BUP performs the following services within the Bethesda Urban District: litter collection, emptying trash cans, brick sidewalk cleaning, landscape maintenance, tree maintenance, tree planting, mowing, snow removal, street sweeping, sidewalk repair, and opening and closing the Bethesda trail tunnel gates.

BUP's FY08 annual agreement with the County requires the organization to meet minimum standards for these activities. Table 4-1, below and on the next page, describes each activity and how often each should be completed. In some areas, BUP's practices exceed the contract requirements: trash cans are emptied six days per week rather than five days per week, trash cans in heavy-traffic areas are emptied more than once a day, and streets are swept three days per week although the contract does not specify frequency.

Additionally, BUP has worked with the community to address ongoing maintenance concerns. For example, the Bethesda Tunnel of the Capital Crescent Trail was poorly lit and had recurring problems with graffiti. BUP worked with community groups to raise money to improve the lighting and install additional fencing in the tunnel, which eliminated the graffiti.

Table 4-1: Bethesda Urban District Maintenance and Landscaping Activities

Task	Required Frequency	Description
Litter Collection	Daily	Collect and dispose of litter from sidewalks, pedestrian bridges, planters, tree pits, and areas outside district if it primarily benefits the district
Trash Receptacle Service	5 times/week	Empty trash cans, replace bags, and pick up litter
Brick Sidewalk Cleaning	At least annually	Clean all brick sidewalks to remove gum, paint, and other debris
Landscape Maintenance	2 times/year	Mulch and fertilize all planting areas and prune shrubs
	Continually	Control weeds
	As needed	Water plants and use integrated pest management techniques
Tree Maintenance	As needed	Clean up debris in tree pits, mulch, reset bricks, control weeds and pests, water, prune
	Annually	Fertilize
Tree Planting	As needed	Plant new and replacement trees

⁷ Article I, paragraph 3

Table 4-1: Bethesda Urban District Maintenance and Landscaping Activities, continued

Task	Required Frequency	Description
Mowing	12 times/year	Mow, remove litter, and edge mowed areas in public right-of-way. Fertilize as needed.
Snow Removal	As needed	Clear snow and ice from crosswalks
Street Sweeping	Not specified	Remove debris from curb lines and curbed medians
Sidewalk repair	As needed	Maintain all sidewalks
Bethesda Trail Tunnel Gates	Daily	Open gates at 6:00 a.m. and close at 10:00 p.m.

Source: Annual Agreement by and between Montgomery County, Maryland and Bethesda Urban Partnership, Inc., FY08

ii. Maintenance of Optional Method Development Properties

BUP's annual agreement with the County to manage the Bethesda Urban District states that BUP "may enter into agreements with optional method developers enabling the Corporation to maintain streetscape amenities on private or public properties in the urban district." In practice, the Planning Board requires optional method developers to receive services from BUP to maintain streetscape amenities such as landscaping and sidewalks in the public right-of-way as a condition in the site plan approval process.

BUP currently provides maintenance services in the public right-of-way for 21 optional method development (OMD) properties. When a new OMD is completed, the director of field operations visits the property and inventories the services that BUP will perform there. BUP sends this information to the Regional Services Center. Additionally, BUP reports quarterly to the RSC on actual services performed.

The County bills OMD property owners for services on a quarterly basis and notifies them of any changes in services or fees; the County then reimburses BUP for services.

Although BUP's contract with the County allows BUP to provide maintenance services for amenities on private OMD property, BUP has chosen not to do this primarily because all OMD property owners require maintenance and landscape contractors to provide snow removal services. BUP considers the liability insurance, equipment, and additional staffing that would be required to provide snow removal services to be operationally and cost prohibitive.

iii. Groundskeeping for Public Parking Lots and Garages

BUP provides groundskeeping services for seven parking lots and five parking garages in Bethesda under a County contract managed by the Department of Transportation, Division of Parking Management. Under the contract, BUP:

- Maintains turf by mowing, testing soil, fertilizing, controlling weeds, and aerating and overseeding;
- Edges curbs and walkways;
- Maintains tree pits and plant beds by weeding, fertilizing, edging, mulching, and trimming and pruning shrubs and trees;
- Collects litter; and
- Implements insect and disease control measures.

Staff from the Division of Parking indicate that BUP provides these services effectively.⁸

iv. Trash removal and street sweeping in the Wheaton and Silver Spring Urban Districts

The County Code authorizes an urban district corporation to “provide any authorized service to another Corporation or urban district.”⁹ BUP provides trash collection and street sweeping services to the Wheaton and Silver Spring Urban Districts under two contracts administered by the Mid-County and Silver Spring Regional Services Centers.

BUP collects trash five days per week from 210 public trash receptacles within the Silver Spring Urban District and four days per week from 78 public trash receptacles in the Wheaton Urban District. BUP also picks up any spilled trash within five feet of the trash receptacle. Finally, a separate contract stipulates the streets that BUP must sweep on a weekly basis.

Interviews with staff from the Mid-County and Silver Spring Regional Services Centers indicate that BUP performs well. Staff noted that BUP communicates about service changes, such as service interruption during repairs to the street sweeping truck, and that the County is not charged for services that are not completed.¹⁰

v. Other Maintenance and Landscaping Contracts

The County Code permits BUP to provide services “outside the boundaries of [the] urban district if the service will primarily benefit businesses or residents in the urban district.”¹¹ Additionally, the County’s FY08 annual agreement with BUP specifically authorizes BUP to “conduct maintenance activities in certain gateway areas in close proximity to the urban district.”¹²

⁸ OLO interview with Division of Parking staff, August 2008.

⁹ County Code § 68A-9 (b)

¹⁰ OLO interviews with Mid-County and Regional Services Center Staff, July 2008.

¹¹ County Code § 68A-9 (b)(4)

¹² Article I, paragraph 3

As such, BUP has entered into a maintenance and landscaping contract with the State Highway Administration to maintain Bethesda “gateway” areas and other contracts to provide maintenance for a few private properties within the urban district.

State Highway Administration. In 2000, BUP entered into an ongoing agreement with the State Highway Administration to provide maintenance in the medians on certain roads which are considered “gateways” to the Bethesda Urban District. These roads are:

- Wisconsin Avenue from Pooks Hill Road south to Woodmont Avenue and from Bradley Boulevard south to Somerset Street, and
- Bradley Boulevard from Wisconsin Avenue west to Glenbrook Road.

Town of Chevy Chase. BUP has a Memorandum of Understanding with the town of Chevy Chase to provide trash removal services three days per week in Elm Street Park, which borders the urban district.

Bethesda Academy of Performing Arts, Imagination Stage. BUP provides litter collection, brick cleaning, tree maintenance, bed maintenance, and flower planting services for the Imagination Stage.

The Greenberg Company. BUP provides litter collection, tree maintenance, bed maintenance, turf maintenance, and flower planting services on Elm Street under a contract with the Greenberg Company.

b. Ambassador Program

The County Code charges urban district corporations with providing “promotion, organization, and support of cultural, recreational, and business activities.”¹³ BUP’s FY08 annual agreement with the County to manage the urban district states that BUP may “conduct...activities to advance the business and residential environment and sense of community in the urban district through such measures as enhanced security...and other community initiatives.”¹⁴

One way that BUP achieves these purposes is through the ambassador program, more commonly known as the “Ask Me Team.” BUP staff provide directions to Bethesda visitors, escort people to parking facilities, and notify other BUP staff or appropriate agencies about emergency maintenance or safety issues. Team members also have first aid and CPR training.

The Ask Me Team operates Wednesday through Saturday from 1:30 p.m. to 10:00 p.m. and on Sundays from 11:30 a.m. to 8:00 p.m. Team members rove the downtown area and are stationed at three kiosks where they provide brochures about Bethesda, including maps, restaurant guides, event flyers, and transportation information.

¹³ County Code § 68A-9 (b)

¹⁴ Article I, paragraph 2

c. Bethesda Circulator

The Bethesda Circulator is a free trolley running through downtown Bethesda with 20 stops. The Circulator runs Monday to Thursday from 7 a.m. to midnight, Friday from 7 a.m. to 2 a.m., and Saturday from 6 p.m. to 2 a.m. Appendix E provides a map of the Circulator route.

The trolley service first started in FY01 as the “Bethesda 8 Trolley.” From FY01-FY06, Montgomery County Ride-On operated the trolley, which was funded through subsidies from the State of Maryland and the County’s Mass Transit Fund.

The County Code authorizes BUP to offer “specialized transportation services, including jitney service.”¹⁵ In September of FY07, BUP began managing the Bethesda Circulator services under a contract administered by the Department of Transportation. BUP subcontracts operation of the Circulator to a private operator, but provides in-house marketing, customer service training for drivers, and maintenance of the signs and benches at Circulator stops.

In FY07, the trolley service was part of BUP’s contract to manage the Bethesda Transportation Management District and the funding source became the Bethesda Parking Lot District. In FY09, BUP continues to manage the Circulator, however, the service is now part of BUP’s annual agreement with the Bethesda-Chevy Chase Regional Services Center. BUP staff and representatives from the Division of Transit Services in the Department of Transportation and the Bethesda-Chevy Chase Regional Services Center explain that this change occurred because the Circulator was not seen solely as a commuter service, but also as a parking garage shuttle and a downtown residential circulator.

Circulator ridership data from FY07 and FY08 show that after BUP took over Circulator management in September FY07, average monthly ridership averaged about 21,000 people. In FY08, this average increased to about 23,000 (Table 4-2).

Table 4-2: Average Number of Circulator Riders, FY07 and FY08

	FY07 (Sept.-June¹⁶)	FY08
Weekday riders	956	1,006
Saturday riders	298	362
Monthly riders	21,382	23,196

Source: BUP

¹⁵County Code § 68A-9 (b)(2)

¹⁶ BUP began managing the Circulator in September of FY07.

3. Marketing

BUP's annual agreement with the County to manage the urban district states that BUP may "plan, coordinate, and manage promotional activities and events that benefit both commercial and residential interests within the urban district."¹⁷ The Marketing team includes a director, three full-time staff, and one part-time intern. BUP's marketing division coordinates these types of efforts through general marketing activities, special events, and management of the Arts and Entertainment District.

a. General Marketing Activities

The BUP marketing department uses a variety of methods to disseminate information about the Bethesda Urban District, including maintaining a website, interacting with local media, and publishing written materials.

BUP's website describes the Bethesda Urban Partnership and provides information about downtown Bethesda, such as maps, parking and transportation information, and lodging options. It offers information about shopping, dining, and arts and entertainment. Additionally, BUP uses the website to promote their special events and to promote events that are organized by other businesses and organizations in Bethesda. The website also provides press releases for local news media.

The marketing division publishes free booklets and brochures about Bethesda, including:

- *Destination Downtown Bethesda*, which provides telephone and address listings for restaurants, retailers, and services;
- *Eat Here*, a restaurant guide for the downtown Bethesda area;
- *The Art and Soul of Bethesda*, a guide to art galleries, studios, and entertainment;
- *Bethesda's Best in Home Fashion*, a guide to home decorating retailers;
- An events calendar and flyers that advertise individual events; and
- The Bethesda Circulator flyer, a map that shows the Circulator route and hours of operation as well as downtown Bethesda's parking garages and surface lots.

BUP also maintains a database of 500 volunteers to recruit for assistance at events. For example, staff report that they use up to 150 volunteers for events such as Taste of Bethesda (see description on the next page).

¹⁷ Article I, paragraph 2

b. Special Events

BUP organizes several major events in downtown Bethesda annually. All together, BUP reports that these events attract over 70,000 attendees. One event, *Bethesda Outdoor Movies*, was added in 2005. Events include:

- *Taste of Bethesda*, an annual October event that allows visitors to sample food from local restaurants;
- *Imagination Bethesda*, an annual children's art festival held each June;
- *Bethesda Outdoor Movies: Stars on the Avenue*, five evenings of free movies shown in the Woodmont Triangle area;
- *Literary Festival*, a three-day event held in a variety of venues that features authors, a writing contest, and poetry events;
- *Summer Concert Series*, free concerts featuring a variety of music on Wednesdays and Thursdays from May through July; and
- *Winter Wonderland*, an annual December event that includes a professional choral concert and performances by children's groups.

In addition to these events, BUP helps to coordinate the Bethesda farmer's market, which is open from 10:00 a.m. to 2:30 p.m. Tuesdays and Saturdays from May to October. BUP helped bring the farmer's market to Bethesda on Tuesdays in 2003, and in 2005 the market's hours expanded to two days per week.

c. Arts and Entertainment District

The Bethesda Urban District received State of Maryland designation as an Arts and Entertainment district in 2002. The Arts and Entertainment District is a separate non-profit organization with its own budget. However, BUP's marketing division manages the Arts and Entertainment District as part of its mission to promote commercial interests and program public interest activities.¹⁸

BUP's activities related to the Arts and Entertainment District involve:

- Providing information to artists who are interested in working and living in Bethesda,
- Participating in annual meetings organized by the State of Maryland for all Arts and Entertainment Districts;
- Submitting an annual report on their activities to the State; and
- Planning, promoting, and managing seven annual events.

¹⁸ County Code § 68A-3(b)

Events organized by BUP include:

- *Dance Bethesda*, a weekend event in March that includes a dance concert, dance parties, and master dance classes;
- *Bethesda Fine Arts Festival*, a two-day event in May that allows 150 artists from 25 states to sell their work and participate in a juried competition;
- *Bethesda Painting Awards*, a juried art competition for about 350 regional painters that includes cash prizes and an opportunity to have their work displayed in Bethesda;
- *Bethesda Artist Market*, an event held on four Saturdays per year that allows 25 local artists to display and sell their work;
- *The Trawick Prize: Bethesda Contemporary Art Awards*, a juried competition for about 400 artists that includes cash prizes and an opportunity to have their work displayed in Bethesda;
- *Bethesda Art Walk*, a monthly event that promotes local art galleries – galleries are open into the evening and attendees can participate in free guided tours;
- *Play in a Day*, an opportunity for playwrights, directors, and actors to write, direct, and perform a play in 24 hours.

BUP reports that over 30,000 people attend and over 1,000 artists participate in these events annually. BUP raises money for these events through sponsorships and fees paid by participating artists and organizations. The cash prizes for the Bethesda Painting Awards and the Trawick Prize have been endowed by individual donors. BUP introduced Play in a Day and the Fine Arts Festival in 2004 and Dance Bethesda and the Bethesda Painting Awards in 2005.

4. Transportation Management

BUP's Transportation Management division manages the Bethesda Transportation Management District under a contract administered by the Department of Transportation, Division of Transit Services. BUP has marketed the services provided under this contract as "Bethesda Transportation Solutions." The division includes a director and five staff.

a. Monitoring traffic, pedestrian, and commuter trends

According to BUP's contract with the County, BUP must:

- Conduct an annual inventory of public and private parking supply, pedestrian facilities, transit services, and utilization of these facilities and services;
- Complete an annual commuter survey of 8,000 employees in the Bethesda TMD with a 10% participation rate; and
- Hold an annual traffic and pedestrian count at intersections selected by the County.

The contract requires BUP to report this information to the County through a biennial report on even-numbered years and an interim report on odd-numbered years. BUP submitted and the County approved a biennial report for FY04-FY05. In March 2008, BUP submitted a draft of the FY06-FY07 report in accordance with their contract. This draft is currently under review by the Department of Transportation, Division of Transit Services. BUP reports that they recently completed the FY08 annual commuter survey.

b. Promoting alternate modes of transportation

BUP works with employers, employees, and visitors to Bethesda to promote alternate modes of transportation. According to BUP's contract, the organization must:

- Assist employers with 25 employees or more to develop traffic mitigation plans, as required by law;¹⁹
- Work with businesses that are relocating to Bethesda to help them implement plans to reduce the number of single-occupancy vehicles;
- Market alternate modes of transportation to employers and employees;
- Manage Montgomery County's Super Fare Share program within the Bethesda TMD to encourage employers to take a more active role in providing transit subsidies to their employees;
- Send out periodic email blasts to employers and employees in the downtown with information about the Super Fare Share program, newsletter highlights, or event information; and
- Track which property owners must pay the TMD fee and provide the Department of Transportation with billing information.

According to BUP's FY2004-2005 biennial report on transportation management, the percent of commuters using alternate modes of transportation (i.e., modes other than single occupancy vehicles) reached 36% in 2005. This is an increase of nearly ten percentage points since BUP began managing the TMD in 1999. Bethesda achieved a mode share of 34% in 2002, which allowed the area to advance to the next stage of development under the 1994 Sector Plan.²⁰ The eventual mode share goal for Bethesda is 37%.²¹

Additionally, BUP's FY2004-2005 biennial report states that BUP helped 141 businesses prepare their Transportation Mitigation Plans in FY04 and FY05. BUP reports that more than 70 companies are currently enrolled in the Super Fare Share program.

BUP also comments on Traffic Mitigation Agreements prepared by developers, the Department of Transportation, and the Maryland-National Capital Park and Planning Commission during the development approval process.

¹⁹ County Code § 42A-24

²⁰ Bethesda Transportation Management District Biennial Reports (FY2000-FY2001, FY2002-FY2003, FY2004-FY2005)

²¹ Bethesda CBD Sector Plan, 1994

BUP markets alternate transportation methods using a variety of strategies:

A **website** provides information to employers, employees, and the general public about public transit, biking, parking, and pedestrian safety. It also provides information to commuters about a variety of programs, including carpools and vanpools, tax incentives, the guaranteed ride home program, park-and-ride lots, the County's Super Fare Share Program, and telecommuting. For employers, the site highlights County laws on transportation management, the County's Super Fare Share program, employer tax incentives, and information on carpools and vanpools.

BUP offers **Commuter Information Days** to businesses in the TMD. Transportation management staff make presentations to employees or set up an informational table in a building lobby to distribute information about alternate forms of transportation and about commuter programs. In addition to providing this information directly to businesses, the Transportation Management division also staffs an informational table at the Tuesday farmers' market and at the Summer Concert Series.

BUP distributes a bi-monthly transportation management **newsletter** with information about commuter programs, tips on alternate modes of transportation, and information about events.

The Transportation Management division's services also include ride-share matching for people who are interested in carpooling and helping people plan commuter routes using public transit. In addition, staff coordinate events such as Bike to Work Day, the Walk and Ride Campaign, and Car-Free Day to encourage people to bike, walk, or use public transportation to come to work.

5. Other Services

a. Enhancing Safety and Security

The County Code states that an urban district should "enhance the safety and security of an area."²² BUP's annual agreement with the County to manage the urban district states that BUP must "implement a method to service after-hours Police and [Department of Transportation] requests for street cleaning and removal of road blockages within the urban district."²³

BUP and the Montgomery County Police Department (MCPD) District 2 Station report a high degree of collaboration. Examples include:

- BUP responds to MCPD requests for assistance with clearing the roadway of debris related to storms or vehicle collisions;
- MCPD and BUP cooperate to close and re-open streets for special events;

²² County Code § 68A-3(b)

²³ Article I, paragraph 6

- BUP and the District 2 police unit for the Central Business District communicate using two-way radios, which allows them to notify each other when there is a situation that needs attention; and
- BUP's offices are the designated alternative command center for the District 2 station.

In addition, about 20 BUP staff received Community Emergency Response Team training. BUP staff also participate in the Greater Bethesda-Chevy Chase Chamber of Commerce's Public Safety Council with MCPD and Montgomery County Fire and Rescue Service Second Battalion to coordinate emergency response in Bethesda.

b. Pothole Repair

BUP has an informal arrangement with the Department of Transportation to repair potholes in the Bethesda Urban District. The County supplies BUP with materials, and BUP maintenance staff repair potholes as part of their regular duties. BUP does not receive any funding specifically for this service.

c. Lighting Survey

BUP receives frequent inquiries about burned-out streetlights in the downtown Bethesda area. Although the County and PEPCO are responsible for maintenance of these lights, BUP has responded by conducting a lighting survey on a monthly basis. Members of the Ambassador Team record streetlights that need to be serviced and the director of field operations sends this list to the Department of Transportation, Division of Traffic Engineering and Operations.

d. Recyclable Collection for Bethesda Green

Bethesda Green, a new organization that aims to promote environmentally friendly, or "green" practices in downtown Bethesda, approached the BUP Board in the fall of 2007 and again in the spring of 2008 to discuss ways that BUP could become involved in Bethesda Green's initiatives. As of May 2008, the BUP Board decided that the best way for BUP to be involved at this time is to assist with a public recycling program. BUP has agreed to empty a public recycling receptacle for Bethesda Green. As Bethesda Green increases the number of recycling receptacles in downtown Bethesda, the BUP Board has expressed a willingness to maintain them as well.²⁴

e. English Classes for BUP Staff

BUP has provided English as a Second Language classes for their staff since 2000. BUP reports that this has contributed to improved services because it allows their staff to communicate more effectively with each other and the community.

²⁴ Letter from the BUP Board of Directors to Councilmember Leventhal, May 16, 2008

CHAPTER V. The Bethesda Urban Partnership's Finances

This chapter describes BUP's revenues and expenditures over the last four fiscal years (FY05-FY08). The chapter is organized as follows:

Section A, Expenditures, describes BUP's expenditures from FY05-FY08;

Section B, Revenue, presents BUP's County and non-County revenue sources from FY05-FY08;

Section C, Sources of County Revenue, explains the Bethesda Urban District Fund and Bethesda Parking Lot District Fund, which fund BUP's contracts with the County; and

Section D, Related Issues, discusses the results of a 2008 County audit of BUP and funding for the Arts and Entertainment District, which is not in BUP's overall budget.

A. EXPENDITURES

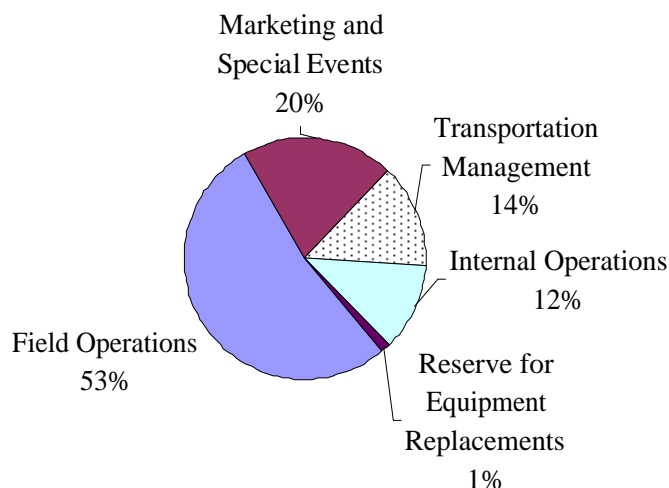
In FY08, BUP's expenditures were \$4.1 million dollars and fell into six categories:

- **Field operations**, which includes maintenance services such as landscaping, trash removal, street sweeping, and other activities to maintain the streetscape; the ambassador program (also called the Ask Me team) which provides assistance to Bethesda visitors; and the Bethesda Circulator trolley;
- **Marketing and special events**, which includes special events management and activities to promote Bethesda;
- **Transportation Management**, which includes promoting alternative modes of transportation and conducting an annual commuter survey;
- **Internal operations**, which includes financial management and office administration;
- **Reserve for Equipment**, which funds purchases over \$5,000, such as vehicles.

Exhibit 5-1 (on the next page) shows that BUP's largest expenditure category is field operations, which accounted for 53% (\$2.2 million) of BUP's expenditures in FY08. This is followed by marketing and special events, which accounted for 20% (\$835,000) of BUP's expenditures.

Table 5-1 (on the next page) summarizes BUP's expenditures between FY05 and FY08 in order from largest to smallest expenditure category. The data show that during this time period:

- BUP's expenditures increased by 46% from \$2.8 million to \$4.1 million.
- The largest portion of the \$1.3 million increase in BUP's budget was due to the addition of the Bethesda Circulator, which cost \$710,000 in FY08. Without the addition of the Circulator, BUP's budget increased by only \$589,000, or 21%.
- Other increases in expenditures were for internal operations (37%), transportation management (28%), marketing (15%), and field operations (17%, not including the Circulator).

Exhibit 5-1: Bethesda Urban Partnership Expenditures, FY08 (Actual)**Table 5-1: Bethesda Urban Partnership Expenditures, FY05 – FY08 (Actuals, \$000s)**

		FY05	FY06	FY07	FY08	Change FY05-FY08	
						#	%
Field Operations	Total	1,243	1,233	1,974	2,165	922	74%
	Overhead	626	638	659	725	100	16%
	Sidewalk Repairs and Maintenance	72	20	94	69	-3	-4%
	Streetscape/Landscape Maintenance	349	373	396	426	76	22%
	Tree Care and Special Maintenance Projects	39	40	60	50	11	29%
	Ambassador Program	157	162	189	185	27	17%
	Bethesda Circulator	--	--	577	710	710	--
Marketing and Special Events	Total	729	761	790	835	106	15%
	Overhead	312	337	351	374	62	20%
	Events	194	208	233	245	51	26%
	Communications	224	216	205	217	-7	-3%
Transportation Management	Total	444	491	478	570	126	28%
	Overhead	389	433	428	502	112	29%
	Direct Services	54	58	50	68	14	26%
Internal Operations		356	437	448	488	132	37%
Reserve for Equipment Replacements		36	36	50	50	14	39%
TOTAL		2,808	2,959	3,740	4,108	1,300	46%

Source: Bethesda Urban Partnership

B. REVENUE

The Bethesda Urban Partnership receives revenue from County and non-County sources. This section describes the revenue from each source and how it has changed over the last four fiscal years. Table 5-2 below summarizes the total revenue generated from FY05-FY08.

In FY08, BUP's total revenue was \$4.3 million. BUP's revenue from the County accounted for 93% of its total annual revenue. The remaining 7% of BUP's revenue was from non-County sources, mostly event income, sponsorships, and Bethesda Circulator advertising.

Table 5-2: Bethesda Urban Partnership Total Revenue, FY05 – FY08 (Actuals, \$000s)

Revenue Source	FY05	FY06	FY07	FY08
County Revenue	\$2,645	\$2,862	\$3,580	\$4,013
Non-County	\$188	\$200	\$285	\$311
BUP Total Revenue	\$2,833	\$3,062	\$3,865	\$4,324
County % of Total	93%	93%	93%	93%
Non-County % of Total	7%	7%	7%	7%

Source: Bethesda Urban Partnership

1. County Revenue

In FY08, BUP received \$4.0 million from the County to provide services in Bethesda and in other urban districts. Table 5-3 shows the contract amounts from FY05-FY08. A description of each contract follows the table. Overall, the revenue from these contracts increased by 52% (\$1.4 million) including the funding for the Circulator, or 26% without including the Circulator.

Table 5-3: Bethesda Urban Partnership County Revenue, FY05 – FY08 (Actuals, \$000s)

County Contracts	FY05	FY06	FY07	FY08	Change FY05-FY08	
					#	%
Urban District Management	1,962	2,107	2,344	2,486	524	27%
Transportation Management	463	518	546	588	125	27%
Bethesda Circulator	--	--	452	698	698	--
Street Sweeping and Trash Removal in Wheaton and Silver Spring	197	216	215	216	19	10%
Groundskeeping at Public Parking Lots and Garages	22	21	22	26	3	15%
Total County Revenue	2,645	2,862	3,580	4,013	1,368	52%

Source: Bethesda Urban Partnership

a. Contract to manage the Bethesda Urban District

BUP's largest source of revenue is a contract to manage the Bethesda Urban District. This contract includes providing maintenance and landscaping services and generally promoting the Bethesda Urban District. In FY08, BUP received \$2.5 million in revenue from this contract. Money not spent by the end of the fiscal year must be returned to the County. The County funds this contract with money from the Bethesda Urban District fund (described beginning on p. 35).

b. Contract for Transportation Management

BUP also holds a contract with the County to manage the Bethesda Transportation Management District. In FY08, BUP received \$588,000 for Transportation Management (Table 5-3). BUP expended \$570,000 to fulfill the requirements of the contract (see Table 5-1, p. 31). The contract allows BUP to retain unspent funds for general and administrative overhead.

The source of funding for this contract is parking fee revenue (transferred from the Bethesda Parking Lot District fund, described beginning on p. 37) and transportation management fees charged by the County on new and existing development.

c. Contract for the Bethesda Circulator

In FY07, BUP received \$452,000 (Table 5-3) to operate the Bethesda Circulator trolley. This was about \$125,000 less than the \$577,000 that BUP spent to operate it (Table 5-1, p. 31). BUP made up this difference using Circulator advertising revenue and additional non-County sources of revenue. In FY08, funding for the Circulator increased 54% to \$698,000, which was closer to the \$710,000 that BUP spent to operate it.

In FY07 and FY08, the first two years that BUP managed the Circulator, the funding for the Circulator came from the Bethesda PLD as part of the Transportation Management District contract. Starting in FY09, the management of the Circulator is part of BUP's Urban District contract administered by the Bethesda-Chevy Chase Regional Services Center.

d. Contracts for Street Sweeping and Trash Collection in the Silver Spring and Wheaton Urban Districts

BUP holds two joint contracts with the County to provide services in the Wheaton and Silver Spring Urban Districts: one to collect trash from the public trash cans located in the urban districts and another to perform street sweeping there. In FY08, the revenue from the trash removal contract was \$145,000 and from the street sweeping contract it was \$71,000. Together, these contracts accounted for 5% of BUP's County revenue.

The funding for these contracts comes from the Wheaton and Silver Spring Urban District Funds. For the street sweeping contract, the urban districts pay BUP based on a fixed rate per linear curb mile of street cleaned. For the trash collection contract, the urban districts pay BUP based on a fixed amount per receptacle serviced.

e. Contract for Groundskeeping at Public Parking Lots and Garages

BUP holds a contract with the County to provide groundskeeping services at public parking lots and garages in Bethesda. In FY08, this contract generated about \$26,000 in revenue for BUP, accounting for less than 1% of BUP's County revenue (Table 5-3). The money to fund this contract comes from Bethesda PLD funds.

2. Non-County Revenue

BUP raises revenue from the following non-County sources:

- a. **Event income and sponsorships.** BUP earns revenue from events the organization manages, such as Taste of Bethesda, Imagination Bethesda, a summer concert series, and the Literary Festival, through private sponsors. Some events also raise income from event participants.
- b. **Bethesda Circulator Advertising.** Private businesses pay to have their logo on the Circulator trolley and publicity materials.
- c. **Maintenance on State Roads.** BUP holds a contract with the State Highway Administration to provide maintenance services on State roads in "gateway areas."
- d. **Miscellaneous.** Miscellaneous revenue includes interest income and the contracts that BUP holds with other entities (the Town of Chevy Chase, Imagination Stage, and the Greenberg Company) to provide services.

BUP reports that this revenue helps fund events and is the primary source of BUP's equipment reserve fund. The majority of BUP's non-County revenue comes from event income and sponsorships and Bethesda Circulator advertising. As shown in Table 5-4, BUP's non-County revenue increased by 65% from FY05 to FY08.

Table 5-4: Bethesda Urban Partnership Non-County Revenue (Actuals, \$000)

	FY05	FY06	FY07	FY08	Change FY05-FY08	
					#	%
Event Income/Sponsorship	133	151	112	139	6	5%
Circulator Advertising	--	--	89	123	123	--
Maintenance on State Roads	26	26	20	26	0	0%
Miscellaneous	29	22	64	22	-7	-25%
Total Non-County Revenue	188	200	285	311	122	65%

Source: Bethesda Urban Partnership

C. SOURCES OF COUNTY REVENUE

This section describes the Bethesda Urban District Fund and the Bethesda Parking Lot District Fund, which provide most of the revenue for the County's contracts with BUP. It is important to note that the Bethesda Parking Lot District Fund actually provides the majority of the funding in the Bethesda Urban District Fund, making it the most important source of BUP's revenue.

1. Bethesda Urban District Fund

The County's Bethesda Urban District Fund finances BUP's contract with the County to manage the Bethesda Urban District.

Revenue. The Bethesda Urban District Fund receives funding from several sources:

- a. **Urban District Tax.** The County Code authorizes the Council to levy a tax on all assessable real and personal property in the urban district, at a rate not to exceed 30 cents per \$100 of assessed value.¹ In FY08, the tax rate in the Bethesda Urban District was 1.6 cents per \$100 of assessed value for real property and 4 cents per \$100 of assessed value for personal property. For FY09, the rates dropped to 1.2 cents and 3 cents, respectively.
- b. **Parking Lot District (PLD) Funds.** County law allows the County Council to transfer revenue from Parking Lot District parking fees to the fund of any urban district from which the fees are collected. The amount of this transferred revenue must not exceed the number of parking spaces multiplied by the number of enforcement hours per year multiplied by 20 cents.² In FY08, approximately \$2.1 million was transferred from the Bethesda Parking Lot District to the Bethesda Urban District (Table 5-5, p. 36).³
- c. **Maintenance Charges Paid by Optional Method Developers (OMD).** The County Code authorizes the County Executive to charge optional method developers for the cost of maintaining off-site amenities for that development.⁴ BUP assesses a fee for each service provided to an optional method developer and submits an invoice to the County, which then charges the developers. BUP receives payment for these services through their contract with the County to manage the urban district.
- d. **General Fund Transfer.** In FY05, the Bethesda Urban District Fund received \$29,000 in revenue from the County's General Fund. In FY06, the Council decided to eliminate the General Fund transfer to the Bethesda Urban District and replace it with additional funds from the Bethesda PLD. The Silver Spring and Wheaton Urban Districts still receive General Fund transfers.

Exhibit 5-2, on the next page, shows what percent of the Urban District Fund was comprised by each of these sources in FY08. PLD transfers accounted for 75% of Urban District Fund revenue.

¹ Montgomery County Code § 68A-4(a)(1).

² Montgomery County Code § 68A-4(a)(2) and § 60-16(c).

³ The Executive's Recommended FY09 Operating Budget, p. 48-10.

⁴ County Code § 68A-1(h).

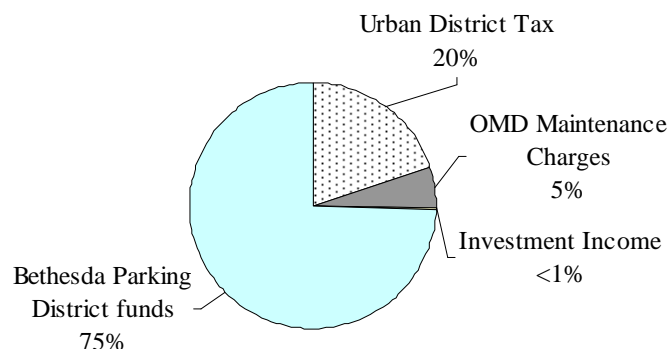
Exhibit 5-2: Bethesda Urban District Revenue, FY08 Estimated

Table 5-5 presents actual and estimated revenue and expenditures for the Bethesda Urban District Fund. From FY05-FY08, revenue increased by 26% from \$2.2 million to \$2.8 million.

Table 5-5: Bethesda Urban District Resources and Expenditures, FY05 – FY08 (\$000s)

	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Estimate
Beginning Fund Balance	-13	190	-17	-118
Revenues				
Revenues:				
Urban District Tax	390	442	489	556
OMD Maintenance Charges	149	120	130	145
Investment Income	0	0	14	10
Inter-Fund Transfers:				
From the Bethesda Parking District (Parking Fees)	1,634	1,694	1,803	2,066
From the General Fund	29	0	0	0
To the General Fund	0	0	0	-4
Total Revenues/Transfers	2,202	2,256	2,436	2,773
Expenditures				
Urban District Contract with BUP	1,962	2,107	2,344	2,486
Miscellaneous Urban District Expenses	37	56	57	77
Bethesda Streetlighting CIP Project	0	300	135	0
Total Expenditures	1,999	2,463	2,537	2,563
Projected Fund Balance	190	-17	-118	92

* OLO calculated this using the Urban District Appropriation/Expenditure from the Operating Budget and subtracting the amount of BUP's contract.

Source: Approved Operating Budgets, FY07, FY08, and FY09; BUP financial reports

Tax and Fee Requirement. County law limits the relative proportion of urban district revenue that can come from either the urban district tax or the parking fee transfer. Specifically, the law states that neither the urban district tax nor the parking fees transferred into an urban district may exceed 90% of their combined total.⁵

Table 5-6 shows that this requirement has been followed: from FY05-FY08 urban district tax revenue ranged from 19% to 21%, while transfers from the PLD Fund ranged from 79% to 81% of the combined total. In FY09, transfers from the PLD Fund are expected to increase to 86% of the combined total due to a reduction in the urban district property tax rate and the addition of the Bethesda Circulator to BUP's contract to manage the urban district. If the urban district tax revenue remains at the estimated FY09 level, the law would allow the PLD transfer to increase by no more than \$1.35 million.

Table 5-6: Urban District Funding, Tax and Fee Requirement (\$000s)

	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Estimate	FY09 Approved
Urban District Tax	\$390	\$442	\$489	\$556	\$459
Parking Fee Transfer	\$1,634	\$1,694	\$1,803	\$2,066	\$2,775
<i>Total Tax and Fee</i>	<i>\$2,024</i>	<i>\$2,136</i>	<i>\$2,292</i>	<i>\$2,622</i>	<i>\$3,234</i>
Tax as % of Total	19%	21%	21%	21%	14%
Parking Fee as % of Total	81%	79%	79%	79%	86%

Source: Approved Operating Budgets, FY07, FY08, and FY09

Expenditures. As shown in Table 5-5 (p. 36), Bethesda Urban District funds are used to fund the County's contract with BUP to manage the urban district. In FY08, the Council appropriated \$2.5 million (97% of expenditures) for BUP's contract to manage the urban district.

The Bethesda-Chevy Chase Regional Services Center uses the remaining funds for an urban district manager who oversees the contract with BUP, a contract for maintenance of a tunnel in Bethesda, and other miscellaneous expenses for the urban district. Also, in FY06 and FY07, the Bethesda Urban District Fund paid for a streetlight CIP project in downtown Bethesda.

2. Bethesda Parking Lot District (PLD) Fund

The Bethesda Parking Lot District funds several BUP contracts: the urban district contract with BUP (through the Urban District Fund), the contract to manage the Bethesda TMD, and a contract for groundskeeping at public lots and garages in Bethesda. The Bethesda PLD also funds parking lot construction and operation. This section describes PLD revenue and expenditures.

Revenue. The Bethesda Parking Lot District has four revenue sources:

- **Property taxes** on commercial and non-commercial property in the PLD.⁶
- **Parking fees** collected in the Bethesda PLD from parking meters and parking permits.
- **Parking fines** for non-moving violations within the Bethesda PLD.
- **Investment Income.**

⁵ Montgomery County Code § 68A-4 (c).

⁶ Chapter 60 of the County Code

Expenditures. The County Code states that PLD funds may be used for the construction, operation, and maintenance of parking lots and garages in the district where the revenue is generated. Parking fees can also fund urban districts and transportation management activities.⁷

In the case of the Bethesda PLD, the largest expenditures are for CIP projects and operating costs related to parking lots and garages. Currently, revenue from the Bethesda PLD funds CIP projects such as ongoing renovations in existing garages and can contribute a portion of the funding for new parking garages – such as Bethesda Lot 31, which is scheduled to begin construction in FY11.⁸ Operating costs include the ongoing maintenance and security of public parking lots and garages, which is managed by the Department of Transportation. Other expenditures include transfers to the Mass Transit Fund (a portion of parking fine revenue).

The remaining expenditures are transfers that relate to the Bethesda Urban Partnership because they fund activities for the Bethesda Urban District or the Transportation Management District:

- **Transfer to the Bethesda TMD** to fund BUP’s contract to run the Bethesda TMD, the Super Fare Share Program in Bethesda, and administrative costs for DOT.
- **Streetlighting CIP Project** to fund Bethesda’s portion of a broader project to evaluate and enhance streetlighting in and around central business districts.
- **Transfer to the Bethesda Urban District** to fund BUP’s contract to run the Bethesda Urban District and other miscellaneous expenses in the urban district.

As Table 5-7 shows, these three activities accounted for 11% of Bethesda PLD expenditures in FY05 and 15% of Bethesda PLD expenditures in FY08. Exhibit 5-3 on the next page illustrates the PLD expenditures in FY08.

Table 5-7: Bethesda PLD Fund Expenditures, FY05 – FY08

	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Estimated
Expenditures for Bethesda Urban District/TMD	11%	12%	15%	15%
Bethesda TMD*	5%	5%	7%	7%
Streetlighting CIP Project in Bethesda	0%	0%	1%	0%
Bethesda Urban District**	6%	7%	8%	8%
Parking/Other Expenditures	89%	88%	85%	85%
Total Expenditures (\$000s)	\$25,264	\$23,256	\$21,257	\$25,401

*Includes County’s contract with BUP, DOT’s administrative costs, and the Super Fare Share program in Bethesda

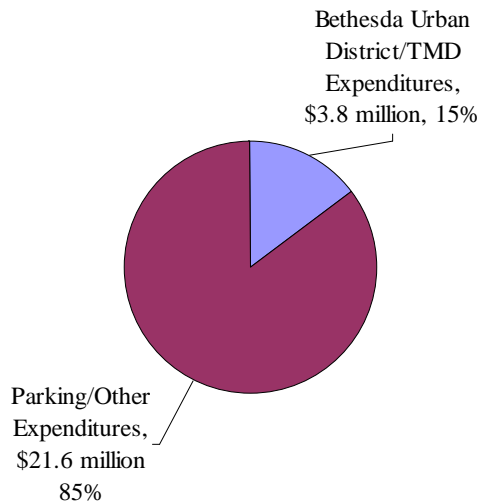
**Includes the County’s contract with BUP and other urban district costs

Source: Approved Operating Budgets, FY07, FY08, and FY09; Office of Management and Budget

⁷ Montgomery County Code § 60-16

⁸ Approved FY09-14 Capital Improvements Program, p. 14-41

Exhibit 5-3: Bethesda PLD Fund Expenditures, FY08 Estimate



D. RELATED ISSUES

1. Audit of Fees Charged to Optional Method Developers

As described above, the County charges owners of optional method development properties (OMD) for maintenance of off-site amenities maintained by BUP. Unit rates for services had not been adjusted since 1997. In FY08, at the request of the Bethesda-Chevy Chase Regional Services Center, the County Department of Finance Internal Audit Section performed an audit of BUP's methodology for setting fees charged to OMD property owners for maintenance services. The audit, which was released in February 2008, showed that in general BUP's methodology was appropriate. However the auditors recommended that BUP:

- Conduct a time and cost study to provide better support for their method of charging for overhead costs, and
- Review their method for charging for capital acquisition costs.⁹

The Regional Services Center reports that they are working with BUP to meet these goals by February 2009. Additionally, BUP recently adjusted the FY09 unit rates based on current information about actual costs.

2. Bethesda Arts and Entertainment District.

BUP also manages Bethesda's Arts and Entertainment District. Arts and Entertainment District events are primarily funded by private contributions and event income. The County agreed to fund an additional marketing staff member in recognition of the BUP marketing division's increasing workload and the overlap of the missions of the Arts and Entertainment District and the urban district.

⁹2008. *Agreed upon Procedures Review for Determination of Maintenance Fees Charged to Optional Method Developers*. Prepared by Thompson, Cobb, Bazilio & Associates, PC for Montgomery County, Bethesda-Chevy Chase Regional Service Center and Department of Finance.

CHAPTER VI. Bethesda Urban Partnership Strategic Plan

In 1998, OLO completed an evaluation of the Bethesda Urban Partnership. Based on OLO's report and recommendations, the Council requested that BUP prepare a five-year strategic plan for the next reauthorization period. In response, BUP prepared a strategic plan for 2003-2007 prior to OLO's evaluation in 2003. In preparation for the current evaluation, BUP completed a new strategic plan for 2008-2012. In this chapter,

Section A, 2003 Strategic Plan Outcomes, describes some of BUP's objectives from the previous strategic plan and progress they made in meeting these objectives;

Section B, 2008 Strategic Plan, describes BUP's strategic planning process and highlights objectives in BUP's new strategic plan.

A. 2003 STRATEGIC PLAN OUTCOMES

BUP's 2003-2007 Strategic Plan included several objectives, including a number of items that the BUP Board of Directors recommended for discussion with the County Council. Several of the proposed items had legal, budgetary, programmatic, and contractual impacts.

As a result, the Council asked BUP to work with the Executive Branch to finalize the 2003-2007 strategic plan with particular attention to examining potential legal implications of portions of the plan; budgetary and funding impacts; programmatic and contractual impacts; and further definition of the initiatives including approaches to funding and implementation.

Although BUP did not formally revise the 2003-2007 strategic plan, they followed up on some of the items that they had recommended for Council discussion:

1. Transferring management of the Bethesda trolley service to BUP

BUP's Board proposed taking over management of the Bethesda trolley and exploring changes to the trolley route and hours. In FY07, BUP formally took over management of the Bethesda trolley, now known as the Bethesda Circulator. No changes have yet been made to the route or hours of operation.

2. Increasing BUP's role in lighting, crosswalk, and pothole repair

- a. Lighting:** BUP's Board proposed that that County give BUP responsibility for maintaining County lights in downtown Bethesda. However, the County has a single contractor who maintains all of the lights in the County. BUP staff report that the County has chosen not to separate Bethesda from this contract.

BUP staff and staff from the Department of Transportation (DOT), Division of Traffic Engineering and Operations report that they have continued to work together to improve lighting maintenance in the Bethesda Urban District. For example, BUP conducts lighting surveys and notifies the County about lights that are out.

- b. Crosswalks:** The Board requested funding to re-stripe crosswalks in Bethesda and to shorten the re-striping cycle from five years to three years. As with lighting maintenance, the County has not given BUP this responsibility. BUP reports, however, that conversations with DOT have led to increased awareness of the heavy use and resulting need for crosswalk maintenance in Bethesda.
- c. Potholes:** When the Board released the 2003-2007 strategic plan, BUP was already repairing potholes in Bethesda under an informal agreement with the Department of Public Works and Transportation (now DOT). The Board proposed that this become a formal agreement. BUP has continued to repair potholes without a formal agreement.

3. Giving BUP designated authority to manage Capital Improvement Projects

The Board proposed being allowed to work with the County to manage capital improvement projects in the Bethesda Urban District. Since 2003, BUP reports that the County has coordinated with BUP on such projects. For example, BUP has helped to notify businesses when work has been done on streets and sidewalks.

4. Shifting to a biennial, calendar year budget cycle

BUP's Board proposed having their budget reviewed by the County on a biennial basis and shifting their budget cycle to the calendar year. BUP reports that no action was taken on this proposal.

5. Designating a funding stream from the Parking Lot District

BUP expressed concern about increasing service needs that could strain BUP's resources. The Board proposed a designated funding stream from the Bethesda PLD. BUP reports that no further discussion occurred on this proposal.

B. 2008 STRATEGIC PLAN

In July of 2008, the BUP Board of Directors approved a new strategic plan for 2008-2012. BUP developed this strategic plan with the assistance of the Maryland Association of Nonprofit Organizations (MANO).

Specifically, MANO led focus groups with a number of BUP's constituent groups, including:

- Representatives from the Office of Management and Budget, the Department of Transportation, and the Maryland-National Capital Park and Planning Commission;
- Residents of the greater Bethesda-Chevy Chase area;
- Residents from downtown Bethesda;
- Representatives of employers with 100 or more employees in downtown Bethesda;

- Representatives of optional method developers with commercial and residential property in downtown Bethesda; and
- Representatives from local hotels, restaurants, and retailers.

Additionally, MANO conducted focus groups with the BUP Board of Directors, the Bethesda Transportation Management District Advisory Committee, the Arts and Entertainment District Board of Directors, and senior BUP staff. MANO also held individual interviews with five BUP Board members.

After the focus groups, MANO facilitated a Board retreat that reviewed the feedback from the participants. Based on this review, the Board set strategic goals in four areas: maintenance, marketing, transportation, and internal operations. They also identified five areas that they would like to discuss further with the County Government. Overall, the Board concluded that:

“The areas of focus for the Bethesda Urban Partnership should remain within the scope of BUP’s mission by further enhancing BUP’s reputation and capabilities within its core mission of maintenance, marketing, and transportation management initiatives.”

At the end of August 2008, BUP provided the director of the Bethesda-Chevy Chase Regional Services Center with copies of the strategic plan, which were distributed to the Department of Transportation and the Office of Management and Budget.

BUP’s strategic plan is attached as Appendix F. The following paragraphs highlight the plan’s strategic goals and the five areas the Board has identified for further discussion.

1. Strategic Goals

BUP has identified strategic goals for maintenance, marketing, transportation, and internal operations. For each goal, BUP’s Board also identified specific objectives, several of which could result in expanded services. For example, under maintenance objectives, the Board expressed interest in having increased responsibility for lighting and crosswalk repair (see below for more discussion of this issue) and maintenance of gateway areas. The Board also expressed interest in expanded involvement with Bethesda Green and new maintenance responsibilities under an agreement with the Maryland-National Capital Area Park and Planning Commission (M-NCPPC). Specifically, M-NCPPC has been in discussion with BUP about maintenance of the Battery Lane Urban Park.

Table 6-1, on the next page, lists BUP’s goals for 2008-2012.

Table 6-1: Bethesda Urban Partnership Strategic Goals, 2008 – 2012

Maintenance
<ul style="list-style-type: none"> A. “Continue to develop and maintain Bethesda Urban District’s public spaces, sidewalks and plazas at a first class standard. B. Develop and maintain public spaces, sidewalks, and plazas adjacent and contiguous to the Urban District at a first-rate standard, and consider expanding to include maintenance of public parks. C. Make navigation of downtown Bethesda more user-friendly. D. Provide feedback, as requested, to Montgomery County’s Department of Park and Planning during Development Review Committee meetings.”
Transportation
<ul style="list-style-type: none"> A. “Expand public transportation options to decrease traffic congestion in downtown Bethesda. B. Increase pedestrian friendliness of downtown Bethesda. C. Collaborate with Washington Metropolitan Area Transit Authority on an improved appearance of Metro Bus Bay. D. Increase business community outreach of Bethesda Transportation Solutions.”
Marketing
<ul style="list-style-type: none"> A. “Increase marketing of BUP’s responsibilities so that residents, customers, and employers have a clearer understanding of BUP’s authority and mission. B. Increase outreach to local retail businesses, restaurants, and arts and entertainment venues. C. Increase the presence of Bethesda’s Arts and Entertainment District.”
Internal Operations
<ul style="list-style-type: none"> A. “Establish longer-term authorization with Montgomery County. B. Revise the BUP budget cycle to a bi-annual cycle.”

Source: Bethesda Urban Partnership, 2008 Strategic Plan

2. Issues Recommended for Discussion with Montgomery County

BUP’s Board of Directors identified the following five items for further discussion with the County. As with the 2003-2007 plan, several of these proposals have legal, budgetary, contractual, and programmatic implications.

a. Extending BUP’s authorization from the current five-year term to a ten-year term

The Board proposes that the Council consider extending BUP’s authorization period from five years to ten years based on their performance over the last fifteen years. In addition to their current annual report, the Board suggests that after five years BUP could provide the County with a more detailed report and a new five-year strategic plan.

b. Moving administration of the Bethesda Transportation Management District contract from the Department of Transportation (DOT) to the Bethesda-Chevy Chase Regional Services Center

In FY09, the County consolidated BUP's contract to manage the urban district and the contract to manage the Bethesda Circulator. This contract continues to be administered through the Bethesda-Chevy Chase Regional Services Center. The BUP Board also proposes moving management of the Transportation Management District contract to the Regional Services Center for "greater efficiency."

OLO discussed this possibility with staff from the DOT Division of Transit Services. They said that the resident expertise lies in Transit Services and expressed concern that the proposed realignment would interfere with the supervision of transit services and make it more difficult to ensure that the TMD services in Bethesda are coordinated with those offered throughout the County.

c. Implementing a biannual budget cycle, with a change to a calendar year or other off-cycle budget review that still allows for an annual review of funds

The BUP Board is interested in a biannual (every other year) budget cycle to reduce the amount of staff time spent preparing a budget. Additionally, the Board believes that it would be beneficial to have an off-cycle budget because BUP does not receive funding from the General Fund, but rather receive funds from the Parking Lot District Fund, it can "be confusing to other county groups and local media" when BUP's budget is reviewed along with those that are funded through the General Fund. For this reason, they have proposed moving to an off-cycle budget review.

It is important to note, however, that the County may also use PLD revenue for building, maintaining, or operating off-street parking facilities or for transportation demand management activities within the parking lot district. Currently, other demands on the Bethesda PLD Fund include maintenance and operation of existing parking facilities, transportation demand management in Bethesda, and constructing Lot 31.

In addition, BUP receives Urban District Fund revenue, including the urban district special property tax. The Charter limit on property tax revenues currently applies to the urban district special property tax.¹ As a result, changes in property taxes to support the Urban District Fund can impact the amount of property tax revenue available to the General Fund.

¹ Charter of Montgomery County, Maryland (2006) § 305

d. Expanding the route and hours of the Bethesda Circulator

BUP is currently exploring the possibility of expanding Circulator services. Through a grant from the Metropolitan Washington Council of Governments, BUP is working with a contractor who is studying current usage and interest in expansion. Possible changes include increased hours on the weekends and service to the east side of Wisconsin Avenue. BUP also reports that they expect the operating expenses for the Circulator to increase due to rising fuel costs.

e. Expanding BUP's responsibility for lighting and crosswalk repair

Although collaboration with DOT on lighting has improved, BUP staff report that they continue to hear concerns from community members about lighting in Bethesda. As a result, the Board remains interested in managing the lighting in downtown Bethesda.

As with lighting, although BUP feels that communication with the County regarding crosswalk maintenance has improved, the Board is still interested in managing re-striping of the crosswalks. They would also like the crosswalks to be re-striped on a three-year cycle rather than the current five-year cycle.

CHAPTER VII. Feedback from County Government and Community Representatives

This chapter provides feedback on BUP's performance from a variety of individuals who interact directly with BUP or benefit from the services they provide. The chapter is organized as follows:

Section A describes BUP's relationship to County Government and non-governmental entities;

Section B summarizes feedback on BUP's performance from these County Government and non-governmental entities obtained through OLO interviews; and

Section C presents feedback on BUP's performance from focus groups organized by BUP and the Maryland Association of Nonprofit Organizations.

A. RELATIONSHIP TO MONTGOMERY COUNTY GOVERNMENT DEPARTMENTS AND OTHER NON-GOVERNMENTAL ENTITIES

BUP interacts regularly with several County Government and non-governmental organizations. The table below and on the next page describes these relationships.

Table 7-1: Relationship between Bethesda Urban Partnership and County Government and Community Representatives

Agency/Organization	Nature of Relationship
Montgomery County Government	
Bethesda-Chevy Chase Regional Services Center	Administers BUP's contract with the County to manage the urban district and the Bethesda Circulator trolley. The director serves as an ex officio member of BUP's Board of Directors.
Mid-County and Silver Spring Regional Services Centers	Administer contracts with BUP to provide trash removal and street sweeping in the Wheaton and Silver Spring Urban Districts.
Department of Transportation, Division of Transit Services	Administers the County's contract with BUP to manage the Bethesda Transportation Management District.
Department of Transportation, Division of Parking Management	Administers a contract with BUP to provide groundskeeping services for County parking lots and garages in the Bethesda Parking Lot District.
Montgomery County Police Department, District 2 Station	Coordinates with BUP to manage street closures and other event logistics, has designated BUP offices as an alternative command center, communicates and coordinates with BUP regarding safety issues.
Montgomery County Fire and Rescue Services, 2 nd Battalion	Coordinates with BUP on emergency preparedness and ongoing safety issues.

Table 7-1: Relationship between Bethesda Urban Partnership and County Government and Community Representatives, continued

Agency/Organization	Nature of Relationship
Non-Governmental Organizations	
Greater Bethesda-Chevy Chase Chamber of Commerce	Works with BUP to address issues that arise in downtown Bethesda that have an impact on businesses.
Transportation Management District Advisory Committee	Advises BUP on activities related to transportation management. Appointed by BUP's Board of Directors.
Arts and Entertainment District Board of Directors	Advises BUP on activities related to the Bethesda Arts and Entertainment District. Appointed by BUP's Board of Directors.

B. OLO INTERVIEWS WITH REPRESENTATIVES FROM MONTGOMERY COUNTY GOVERNMENT AND OTHER NON-GOVERNMENTAL ENTITIES

OLO interviewed representatives from the County Government and non-governmental entities listed in Table 7-1 to elicit feedback on BUP's performance. Appendix H provides a list of specific individuals interviewed. This section provides a summary of that feedback. Overall, BUP received positive comments about service quality and staff.

Coordination in downtown Bethesda. All of the stakeholders in downtown Bethesda Police, Fire and Rescue, and the Greater Bethesda-Chevy Chase Chamber of Commerce said they were in frequent communication with BUP to coordinate events or solve problems. They said that BUP staff was enthusiastic and quick to respond to problems or provide assistance, such as clearing roadways following an accident or a fallen tree, cleaning out storm drains causing flooding, and helping to direct traffic when roads are closed.

The stakeholders specifically mentioned BUP's important role in maintaining public safety in downtown Bethesda by providing an additional presence on the street and notifying the police of suspicious behavior. For example, BUP worked with CBD police to do outreach to the community on safety and kept a lookout for criminal activity following a series of car break-ins and a mugging. County representatives also mentioned that it was comforting to know that many of BUP's field operations staff have received Community Emergency Response Team training.

Quality of services. All of the interviewees expressed satisfaction with the services that BUP provides and most considered BUP's work of very high quality. For example, one interviewee said that they wouldn't change anything about the work BUP does.

County staff who administered contracts with BUP were pleased with the services provided and indicated that they have a good relationship with BUP staff. Only one department mentioned that they would like BUP to make a greater effort to communicate and collaborate with County staff and programs.

BUP's Responsibilities. When asked whether BUP should do more or less than they already do, no one suggested that BUP should do less. Two people suggested that with more resources, BUP could take on even greater responsibilities. Also, a couple of community representatives mentioned that they would like BUP to take over streetlight repairs in downtown Bethesda and that BUP should have a ten-year reauthorization period, rather than the current five years. The Chamber of Commerce representative indicated that in their 2007-2008 legislative agenda the Chamber advocated for BUP to expand Bethesda Circulator services.

C. FOCUS GROUP RESULTS

In October and November 2007, the Bethesda Urban Partnership hosted six focus group sessions with stakeholder groups in downtown Bethesda.¹ The Maryland Association of Nonprofit Organizations facilitated the sessions.

Each session had five to ten participants representing County Government or groups located in downtown Bethesda. There were six groups in total:

- **Montgomery County Government** (Montgomery County's Department of Public Works and Transportation, Economic Development, Office of Management and Budget, and the Maryland-National Capital Area Park and Planning Commission)
- **Retail Business Owners**
- **Employers with at least 100 employees**
- **Residents**
- **Customers**
- **Developers**

Overall, almost 50 people from these groups provided feedback during the focus group process. This section summarizes the answers provided by the focus groups.

BUP's mission. All participant groups were familiar with BUP and seemed to have a sense of BUP's mission. They were able to list some of the services they provide, such as organizing events or doing landscaping and other maintenance to improve the appearance of downtown Bethesda. They also mentioned BUP's role as a liaison between the community, businesses, developers, and County Government. Employees, customers, and residents had seen BUP's staff around the area, especially near the Metro, and found them to be approachable and helpful, providing a sense of community.

BUP's performance and quality of services. All of the focus groups had positive comments about the services BUP provides, including compliments for the staff, comments on the high quality of street cleaning, and a sense that BUP generally does a good job. Each group had different ideas about additional projects or responsibilities that BUP should undertake, including activities related to community representation, information-sharing, transportation and parking, and other issues.

¹ See Appendix G for a summary of focus group results.

CHAPTER VIII. Findings

Chapter 68A of the County Code authorizes the County to establish urban district corporations to provide services within the County's urban districts. By law, an urban district corporation exists for five years and can be extended for an unlimited number of additional five-year terms by a resolution adopted by the County Council and approved by the County Executive. Before the Council renews the corporation's term, the law requires the Office of Legislative Oversight to conduct a performance evaluation.

The County Council established the Bethesda Urban Partnership (BUP) in 1993 as the urban district corporation for the Bethesda Urban District. The Council reauthorized BUP in 1998 for a second term and in 2004 for a third term, which expires January 31, 2009.

This chapter presents the findings from OLO's evaluation of BUP:

Section A provides findings related to BUP's responsibilities;

Section B presents findings related to BUP's finances; and

Section C offers findings related to BUP's strategic plan.

A. RESPONSIBILITIES

Finding #1: BUP's responsibilities are defined by multiple governing documents and contracts.

Governing Documents and Contracts. As the organization designated to manage the Bethesda Urban District and the Bethesda Transportation Management District, BUP is governed by State and County laws and regulations, the 1994 Bethesda Central Business District Sector Plan, and BUP's Articles of Incorporation. These documents authorize BUP's creation, set up the organization's funding structure, and describe BUP's purposes. BUP also provides services under five contracts with Montgomery County. Table 8-1, on the next page, provides an overview of BUP's governing documents and contracts.

Table 8-1: Bethesda Urban Partnership Governing Documents and Contracts

Code of Maryland, Commercial District Management Authorities
<ul style="list-style-type: none"> • Authorizes charter counties to create commercial district management authorities for the purposes of “promotion; marketing; and the provision of security, maintenance, or amenities within the district.”
Montgomery County Code Chapter 68A, Urban Districts
<ul style="list-style-type: none"> • Authorizes and creates the Bethesda Urban District • Authorizes creation of an “urban district corporation” to manage an urban district • Describes the purposes of an urban district and urban district corporation • Authorizes an urban district corporation to provide services to other urban districts
County Code Chapter 42A, Ridesharing and Transportation Management
<ul style="list-style-type: none"> • Authorizes the creation of Transportation Management Districts (TMD) • Describes purposes of a TMD
Resolution 14-56, Establishment of a Transportation Management District in Bethesda
<ul style="list-style-type: none"> • Establishes a TMD within the Bethesda Central Business District
County Code Chapter 60, Parking Lot Districts
<ul style="list-style-type: none"> • Establishes parking lot districts (PLD) and authorizes collection of a parking lot district tax and parking fees • Describes allowable uses of PLD revenue, including transfers to fund activities in urban districts and transportation management districts
1994 Bethesda Central Business District Sector Plan
<ul style="list-style-type: none"> • States that BUP should assist with implementation of “retail enhancement, ‘cultural district,’ and streetscape objectives” for the CBD
Bethesda Urban Partnership Articles of Incorporation
<ul style="list-style-type: none"> • Set forth the powers and restriction on powers • Describe the Board of Directors • List purposes of the corporation
County Government Contracts
<p>Require BUP to:</p> <ul style="list-style-type: none"> • Manage the Bethesda Urban District • Operate the Bethesda Circulator • Provide groundskeeping services at public parking lots and garages in Bethesda • Provide street sweeping and trash collection in the Silver Spring and Wheaton Urban Districts • Manage the Bethesda Transportation Management District

Responsibilities. The County Code requires that services provided in urban districts primarily benefit property and persons within the district and are in addition to services normally provided by the County. Based on BUP's governing documents and contracts, BUP's responsibilities include:

- a. Maintaining and enhancing streetscape amenities;
- b. Programming public interest activities, including promotion, organization, and support of cultural, recreational, and business activities;
- c. Advancing the business and residential environment and sense of community;
- d. Enhancing safety and security in public areas;
- e. Providing specialized transportation services; and
- f. Increasing the number of people using alternative modes of transportation for commuting to Bethesda.

Finding #2: The Bethesda Urban Partnership's services achieve the purposes outlined for the organization in BUP's governing documents and contracts with County Government departments.

As described in Finding 1, BUP's governing documents and contracts describe BUP's responsibilities; the following paragraphs provide examples of how BUP fulfills them.

a. Maintaining and enhancing streetscape amenities

In Bethesda, BUP provides maintenance and landscaping services in the public right-of-way, at public parking lots and garages, and in the medians of state highways that are considered "gateways" to Bethesda. The types of services they provide include litter collection, emptying trash cans, brick sidewalk cleaning, landscape maintenance, tree maintenance, tree planting, mowing, snow removal, and street sweeping. Outside of Bethesda, BUP provides trash collection and street sweeping services in the Wheaton and Silver Spring Urban Districts.

With the exception of maintenance on state highways, these services are all performed under contracts administered by County Government departments. OLO found that staff in these departments were satisfied with BUP's performance.

b. Programming public interest activities, including promotion, organization, and support of cultural, recreational, and business activities

BUP promotes the Bethesda Urban District by maintaining a website, interacting with local media, and publishing free booklets and brochures. BUP also organizes special events that promote Bethesda's restaurants and businesses and offer entertainment to residents and visitors. These events include Taste of Bethesda, Imagination Bethesda, Bethesda Outdoor Movies: Stars on the Avenue, a Literary Festival, the Summer Concert Series, and Winter Wonderland.

In addition, BUP promotes cultural activities in the Bethesda Arts and Entertainment District. For example, BUP provides information to artists who are interested in working and living in Bethesda and facilitates events that showcase the arts in Bethesda, including dance and art festivals and juried art competitions.

c. Advancing the business and residential environment and sense of community

BUP works to advance the business and residential environment and sense of community in a variety of ways. For example, in addition to the marketing activities described above, a group of BUP staff known as the Ask Me Team provides assistance to Bethesda visitors and notifies other BUP staff or appropriate agencies about emergency maintenance or safety issues.

BUP has also worked with the community to address ongoing concerns. For example, BUP coordinated with community groups to eliminate graffiti in the Bethesda tunnel by improving lighting and installing additional fencing.

d. Enhancing safety and security in public areas

BUP collaborates with the Montgomery County Police Department (MCPD) to improve safety and security in downtown Bethesda. For example, BUP responds to MCPD requests for assistance with clearing the roadway of debris related to storms or vehicle collisions and cooperates with MCPD to close and re-open streets for special events. MCPD has also designated BUP's offices as the alternative command center for the Bethesda police station in the event of an emergency.

e. Providing specialized transportation services

In FY07, BUP took over the management of Bethesda's free trolley service, which had been operated by Montgomery County Ride-On. The trolley, known as the Bethesda Circulator, runs on weekdays and Saturday evenings and provides transportation within the urban district to commuters, residents, and visitors.

f. Increasing the number of people using alternative modes of transportation for commuting to Bethesda

BUP works with employers, employees, and visitors to Bethesda to promote alternate modes of transportation by:

- Assisting employers with the development of traffic mitigation plans;
- Marketing alternative transportation options such as public transit, carpools, and vanpools;
- Promoting the County's Super Fare Share program; and
- Conducting an annual survey of employees to monitor changes in transportation use.

Finding #3: Since BUP's last reauthorization in 2004, the organization has added new staff and services.

Since 2003 the number of BUP's employees changed from 27 full-time and three part-time positions to 34 full-time and three part-time positions. This includes three new positions in the Field Operations division and a new director of finance position for the Internal Operations division.

BUP has also taken on management of the Bethesda Circulator and added several new events. Specifically, in 2004 BUP introduced the Bethesda Fine Arts Festival and Play in a Day. In 2005 BUP added Stars on the Avenue: Bethesda Outdoor Movies, Dance Bethesda, and the Bethesda Painting Awards. BUP has also begun collecting recyclables for Bethesda Green.

Finding #4: County and community representatives provided positive assessments of BUP's services and staff.

OLO interviewed County government representatives and other individuals who work with BUP. This included representatives from the:

- Police Department;
- Fire and Rescue Services;
- Department of Transportation;
- Bethesda-Chevy Chase, Mid-County, and Silver Spring Regional Services Centers;
- Transportation Management District Advisory Committee;
- Arts and Entertainment District Board of Directors; and
- Greater Bethesda-Chevy Chase Chamber of Commerce.

In general, those interviewed said that BUP provides high quality services, is responsive, and collaborates with County government, businesses, and residents to resolve problems and coordinate activities in downtown Bethesda.

OLO also reviewed focus group feedback on BUP's performance, which the Maryland Association of Nonprofit Organizations gathered during BUP's strategic planning process. The focus groups consisted of representatives from County Government, employers, residents, customers, and developers in downtown Bethesda. Participants had positive comments about the services BUP provides, including compliments for the staff, remarks on the high quality of street cleaning, and a sense that BUP generally does a good job. For example, some participants noted that BUP staff were approachable and provided a sense of community.

B. FINANCES**Finding #5: In FY08, BUP's expenditures were \$4.1 million.**

In FY08, BUP's expenditures were \$4.1 million, reflecting an increase of 46% from FY05, when BUP's expenditures were \$2.8 million. Much of this increase resulted from the addition of the Bethesda Circulator in FY07 and FY08.

The following table lists BUP's expenditures from FY05 to FY08 in order from the category with the greatest expenditure to the category with the smallest expenditure each year. BUP's largest expenditure categories are field operations and marketing and special events.

**Table 8-2: Bethesda Urban Partnership Expenditures,
FY05 – FY08 (Actuals, \$000s)**

	FY05	FY06	FY07	FY08
Field Operations	1,243	1,233	1,397	1,454
Marketing and Special Events	729	761	790	835
Bethesda Circulator	--	--	577	710
Transportation Management	444	491	478	570
Internal Operations	356	437	448	488
Reserve for Equipment Replacements	36	36	50	50
TOTAL	2,808	2,959	3,740	4,108

Finding #6: In FY08, the County Government provided 93% of BUP's revenue.

From FY05 to FY08, BUP's revenue from County contracts increased by 52%, mostly due to the addition of the Bethesda Circulator and increases in the urban district and transportation management contracts. The largest source of BUP's revenue was its contract with the County to manage the Bethesda Urban District.

Table 8-3: Bethesda Urban Partnership County Revenue, FY05 – FY08 (Actuals, \$000s)

	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Actual
Urban District Management	1,962	2,107	2,344	2,486
Transportation Management	463	518	546	588
Bethesda Circulator	--	--	452	698
Streetsweeping and Trash Removal in Wheaton and Silver Spring	197	216	215	216
Groundskeeping at Public Parking Lots and Garages	22	21	22	26
Total County Revenue	2,645	2,862	3,580	4,013

Finding #7: In FY08, non-County sources provided 7% of BUP's revenue.

BUP generates most of its non-County revenue from event income, sponsorships, and Bethesda Circulator advertising. BUP also receives revenue from a contract with the State Highway Administration for maintenance on state roads and other contracts with entities such as the Town of Chevy Chase to provide maintenance services. BUP uses this income to enhance services and fund a reserve for large equipment purchases.

Finding #8: The Bethesda Urban Partnership's primary source of revenue is Bethesda Parking Lot District funds.

The Bethesda PLD is funded by a property tax on commercial and non-commercial property in the PLD, parking fees collected in the PLD, parking fines issued within the PLD, and investment income. These funds may be used to operate, construct, and renovate parking facilities in Bethesda and fund the Urban District and transportation management activities in Bethesda.

In FY08, an estimated 15% of Bethesda Parking Lot District Funds funded the Bethesda Urban District and the Bethesda Transportation Management District, both managed by BUP. The remaining 85% of Bethesda Parking Lot District expenditures funded parking CIP and operating costs in Bethesda, a transfer to the mass transit fund, and other miscellaneous expenditures.

Table 8-4: Bethesda PLD Fund Expenditures

	FY05 Actual	FY06 Actual	FY07 Actual	FY08 Estimated
Expenditures for Bethesda Urban District/TMD	11%	12%	15%	15%
Bethesda TMD*	5%	5%	7%	7%
Streetlighting CIP Project in Bethesda	0%	0%	1%	0%
Bethesda Urban District**	6%	7%	8%	8%
Parking/Other Expenditures	89%	88%	85%	85%
Total Expenditures (\$000s)	\$25,264,000	\$23,256,000	\$21,257,000	\$25,401,000

*Includes the County's contract with BUP, DOT's administrative costs, and the Super Fare Share program in Bethesda

**Includes the County's contract with BUP and other urban district costs

Finding #9: County law limits the relative proportion of urban district revenue that can come from either the urban district tax or the Bethesda PLD parking fee transfer.

Urban Districts have two major sources of revenue: an urban district tax assessed on real and personal property in the urban district and parking fees in the parking lot district fund. Chapter 68A of the County Code states that the proceeds from either the urban district tax or the parking fees transferred into an urban district must not exceed 90% of their combined total.¹

¹ Montgomery County Code § 68A-4 (c).

In FY09, transfers to the Bethesda Urban District Fund from the Bethesda PLD Fund are expected to increase to 86% of the combined total. If the urban district tax revenue remains at the estimated FY09 level, the law would allow the PLD transfer to increase by no more than \$1.35 million.

Table 8-5: Urban District Funding, Tax and Fee Requirement (\$000s)

	FY08 Estimate	FY09 Approved
Urban District Tax	\$556	\$459
Parking Fee Transfer	\$2,066	\$2,775
<i>Total Tax and Fee</i>	<i>\$2,622</i>	<i>\$3,234</i>
Tax as % of Total	21%	14%
Parking Fee as % of Total	79%	86%

C. STRATEGIC PLAN

Finding #10: The Bethesda Urban Partnership recently completed a new strategic plan for 2008-2012.

In July 2008, the BUP Board of Directors approved a new strategic plan for 2008-2012. Based on information gathered from focus groups with County representatives, business owners, residents, and other stakeholders, the plan identifies strategic goals for maintenance, marketing, transportation, and internal operations. Overall, the BUP Board of Directors determined that:

“The areas of focus for the Bethesda Urban Partnership should remain within the scope of BUP’s mission by further enhancing BUP’s reputation and capabilities within its core mission of maintenance, marketing, and transportation management initiatives.”²

The Board also identified five items that they would like to discuss further:

- Extending BUP’s authorization from the current five-year term to a ten-year term;
- Moving administration of the Bethesda Transportation Management District contract from the Department of Transportation to the Bethesda-Chevy Chase Regional Services Center;
- Implementing a biannual budget cycle, with a change to a calendar year or other off-cycle budget review that still allows for an annual review of funds;
- Expanding the route and hours of the Bethesda Circulator; and
- Expanding BUP’s responsibility for lighting and crosswalk repair.³

² BUP Strategic Plan, Appendix F

³ BUP Strategic Plan, Appendix F

Finding #11: BUP's new 2008-2012 strategic plan includes more input from the County Government than the 2003-2007 plan.

As part of OLO's 2004 evaluation of BUP, OLO recommended that BUP do more to involve County Government departments in their strategic planning process. Specifically, OLO suggested that BUP should involve representatives from the Regional Services Centers, Department of Public Works and Transportation, Office of Management and Budget, County Attorney's Office, and Maryland-National Capital Park and Planning Commission in the process of developing the plan.

In preparing the new 2008 Strategic Plan, BUP held focus groups with representatives from the Department of Transportation, the Office of Management and Budget, and the Maryland-National Capital Park and Planning Commission.

When the BUP Board of Directors approved the 2008-2012 strategic plan in July, they had not yet discussed their goals and objectives with County departments that could be affected by the changes. At the end of August 2008, BUP distributed copies of the 2008-2012 strategic plan to the Department of Transportation and the Office of Management and Budget.

CHAPTER IX: Recommendations

This chapter presents the Office of Legislative Oversight's recommendations for Council action and discussion related to the Bethesda Urban Partnership. In sum, OLO recommends that the Council:

- Reauthorize the Bethesda Urban Partnership for another five-year term.
- Require BUP to develop a new strategic plan before their next reauthorization.
- Discuss five items from BUP's 2008 strategic plan.

Recommendation #1: Reauthorize the Bethesda Urban Partnership for another five-year term, and retain the requirement for an OLO evaluation prior to reauthorization.

OLO recommends that the Council adopt a resolution to reauthorize the Bethesda Urban Partnership, Inc. for another five-year term. OLO's review confirmed that BUP's activities continue to fulfill the purposes of the organization as described by State and County law, the 1994 Bethesda Central Business District Sector Plan, and BUP's own Articles of Incorporation.

OLO found that BUP's public and private sector customers are pleased with the quality of BUP's work. Representatives from County Government expressed satisfaction with the services that BUP provides; most describe BUP staff as responsive and good communicators. In addition, business owners, developers, employers, and residents of Bethesda who participated in focus groups indicated that BUP provides quality services and that BUP staff are approachable, helpful, and create a sense of community.

Recommendation #2: Require BUP to develop a new five-year strategic plan before the next reauthorization.

OLO recommends that the Council require BUP to develop a new five-year strategic plan before the next reauthorization. BUP should continue to seek input from constituents, including County Government departments, business owners, employers, developers, residents, and visitors to Bethesda at the beginning of the strategic planning process through surveys or focus groups.

OLO also recommends that BUP solicit comments on their proposed objectives from relevant County Government departments prior to finalizing the strategic plan. This would allow BUP to respond to any concerns, such as changes in laws, finances, or practices that would be required to implement BUP's proposals.

Finally, OLO suggests that should BUP include a status report on implementing objectives identified in the previous strategic plan. This would assist the Council to assess BUP's performance and understand how the new plan differs from the previous one.

Recommendation #3: Hold a worksession with representatives from BUP and the County Government to discuss five issues identified in BUP's strategic plan.

BUP's 2008-2012 strategic plan identifies five items that the BUP Board of Directors would like to discuss with the County Government.

3a. Extending BUP's authorization from the current five-year term to a ten-year term

The County Code stipulates that an urban district corporation exists for five years and then must be reauthorized by the Council. During Council worksessions in 2003 on BUP's reauthorization, BUP representatives expressed interest in having the Council extend BUP's term from five years to ten years. At that time, the MFP Committee Chair solicited comments from the Chief Administrative Officer on BUP's request. The CAO supported "two five year terms with OLO evaluations prior to reauthorization." The Council took no further action on this issue.

In their new strategic plan, BUP's Board of Directors proposes that the Council again consider extending the authorization period to ten years based on BUP's successful performance over the last fifteen years. The Board suggests that after five years BUP could provide the County with a more detailed report and a new five-year strategic plan.

OLO Recommendation. OLO recommends that the Council retain the five-year authorization period. In addition to the Council's annual budget review, this builds in a legal requirement for the Council to evaluate BUP's performance. It also provides the Council with the opportunity to decide whether any changes are needed in BUP's purpose and responsibilities and closely examine how the County finances the services that BUP provides.

3b. Moving administration of the Bethesda Transportation Management District contract from the Department of Transportation to the Bethesda-Chevy Chase Regional Services Center

The Bethesda-Chevy Chase Regional Services Center currently administers the contract with BUP to manage the Urban District; starting in FY09, this also includes the Bethesda Circulator. BUP's Board suggests that the Regional Services Center should also administer the Transportation Management District contract – currently administered by the Department of Transportation – for "greater efficiency."

OLO Recommendation. The County Council should ask the County Executive to consider this issue and to identify the advantages and disadvantages of shifting contract administration to the Bethesda-Chevy Chase Regional Services Center. For example,

- What efficiencies would result from moving administration of this contract to the Regional Services Center?
- How would moving administration of this contract impact coordination of transportation management programs across the County?

3c. Implementing a biannual budget cycle, with a change to a calendar year or other off-cycle budget review that still allows for an annual review of funds

BUP's Board first suggested a biannual (every other year), calendar year budget cycle in their 2003 strategic plan. BUP reports that no further action was taken on this proposal, and the Board has included it in the new 2008 strategic plan.

The Board suggests that a biannual budget cycle would reduce the amount of staff time spent preparing a budget. Additionally, the Board believes that it would be beneficial to have an off-cycle budget because BUP does not receive funding from the General Fund, but rather from the Bethesda Urban District Fund and Parking Lot District Fund. The Board believes it can "be confusing to other county groups and local media" when the County reviews BUP's budget along with those that are funded through the General Fund.

OLO Recommendation. OLO recommends that BUP continue to adhere to the County Government's annual, fiscal year budget cycle. OLO found that BUP's funding is linked to several other funding structures in the County and a change to BUP's budget cycle could limit the Council's prerogative to set funding priorities.

From FY05 through FY08, BUP received between 61% and 73% of their County funding from the Bethesda Urban District Fund. Most of the revenue in this fund comes from transfers from the Bethesda Parking Lot District Fund (PLD) and an urban district special property tax. The Bethesda Urban District Fund competes with other uses of these resources, specifically:

- *Parking Lot District Fund:* The County may also use PLD revenue for building, maintaining, or operating off-street parking facilities or for transportation demand management activities within the parking lot district. Currently, other demands on the Bethesda PLD Fund include maintenance and operation of existing parking facilities, transportation demand management in Bethesda, and constructing Lot 31.
- *Urban District Tax:* The Charter limit on property tax revenues currently applies to the urban district special property tax.¹ As a result, an increase in property taxes to support the Urban District Fund can impact the amount of property tax revenue available to the General Fund.

In addition, BUP receives funding from contracts with the County to provide services for the Department of Transportation, the Mid-County Regional Services Center, and the Silver Spring Regional Services Center. Adjusting BUP's budget cycle could impact the ability of the County Government and the Council to make changes to these departmental budgets.

¹ Charter of Montgomery County, Maryland (2006) § 305

3d. Expanding the route and hours of the Bethesda Circulator

BUP's annual agreement with the County to manage the urban district includes operating the Bethesda Circulator. In BUP's 2008 strategic plan, the Board proposes expanding the Circulator's route and hours. Through a grant from the Metropolitan Washington Council of Governments, BUP is working with a contractor who is studying current usage and interest in expansion. Possible changes include increased hours on the weekends and service to the east side of Wisconsin Avenue.

OLO Recommendation. Expanding Circulator services would increase operating costs, which raises questions about Circulator financing and its priority level relative to competing needs. As a result, OLO recommends that the Council consider the following factors when discussing this issue:

- Revenue to operate the Circulator comes from the Urban District Fund, including the special urban district property tax and transfers from the PLD Fund. As noted above, revenue in the PLD Fund can be used for multiple other services that benefit the Bethesda PLD.
- The County Code requires that no more than 90% of the combined revenue from the urban district tax and the PLD Fund may come from either source. In FY09, the addition of the Circulator to BUP's contract is projected to result in PLD revenue making up 86% of the total urban district tax and PLD Fund revenue. If the Council funded an increase in Circulator expenses with additional PLD revenue, this would place the PLD revenue share closer to the 90% limit.
- Fuel prices and other operating costs for current Circulator services could increase, placing greater demands on the PLD Fund or other County revenue sources. Expanding Circulator services would add even more additional costs.

The Council should ask BUP and the Regional Services Center to provide:

- A description of the current study on Circulator usage and interest in expansion, including study methodology and findings; and
- Projections of future Circulator costs for current and expanded services.

3e. Expanding BUP's responsibility for lighting and crosswalk repair

In BUP's 2003 strategic plan, the BUP Board of Directors proposed that the County expand BUP's responsibilities to include:

- Managing County streetlights in downtown Bethesda, and
- Re-striping crosswalks in Bethesda on a three-year cycle (rather than the County's general five-year cycle.)

BUP reports that although the County has not given them these responsibilities, collaboration with the County regarding lighting and crosswalks has improved in the last five years. However, BUP staff continue to hear concerns from community members about lighting in Bethesda. BUP also believes that crosswalk maintenance could improve. As a result, BUP's 2008 strategic plan again proposes additional responsibilities for BUP in these areas.

Currently, the Department of Transportation, Division of Traffic Engineering and Operations has one contractor for lighting repairs and one contractor for crosswalk repair. Both contractors service the entire County.

OLO Recommendation. County law allows urban district corporations to perform activities for the "enhancement and maintenance of streetscape." While repair of streetlights and crosswalks could be considered streetscape maintenance, increasing BUP's role in these activities would have contractual and funding implications. As a result, OLO recommends that the Council discuss with BUP and the County Government the current arrangements for lighting and crosswalk repair as well as BUP's concerns about current services. Specific questions to consider include:

- What would be the impact on the County's current contracts for lighting and crosswalk maintenance if BUP took over management in Bethesda?
- As a matter of policy, should the County establish the precedent of separating out lighting and crosswalk maintenance in urban districts from maintenance in the rest of the County?
- What would be the impact on costs if BUP managed lighting and crosswalk repair?
- What alternative steps could be taken to address BUP's concerns about lighting and crosswalks in Bethesda?

CHAPTER X. Agency Comments

The Office of Legislative Oversight circulated a draft of this report to the Chief Administrative Officer for Montgomery County and to the Board of Directors the Bethesda Urban Partnership. OLO greatly appreciates the time taken by County Government and BUP representatives to review the draft report and provide comments. OLO's final report incorporates technical corrections provided by County and BUP staff.

The written comments received from the CAO and the BUP Board of Directors are included in their entirety, beginning on the following page.



OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

Timothy L. Firestine
Chief Administrative Officer

MEMORANDUM

September 25, 2008

TO: Sarah Downie, Research Associate
Jennifer Renkema, Research Associate
Office of Legislative Oversight

FROM: Timothy L. Firestine, Chief Administrative Officer

SUBJECT: Draft OLO Report 2009-3 – 2008 Evaluation of the Bethesda Urban Partnership, Inc.

Thank you for the opportunity to comment on Draft OLO Report 2009-3 regarding the Bethesda Urban Partnership, Inc. (BUP). As you know, BUP has undergone a number of changes since it was re-authorized in 2004. This OLO report is comprehensive and an excellent reference document. The evaluation confirms that BUP continues to excel at fulfilling its role as an urban corporation: providing maintenance, landscaping, promotions, and special events.

Below are our comments on the three recommendations contained in the report.

Recommendation #1: Reauthorize BUP for another five-year term, and retain the requirement for an OLO evaluation prior to reauthorization.

We concur with OLO's recommendation regarding the continuation and urge the Council to adopt a resolution reauthorizing BUP with another OLO evaluation and Council re-authorization in five years.

Recommendation #2: Require BUP to develop a new five-year strategic plan before the next re-authorization.

We also concur with OLO's recommendation that BUP develop a new five-year strategic plan before the next reauthorization. We agree that BUP should develop a status report on the implementation of objectives identified in previous strategic plan.

Recommendation #3: Hold a worksession with representatives from BUP and County Government to discuss five issues identified in BUP's strategic plan.

We agree to participate in a worksession to discuss BUP's 2008 strategic plan. It is in the best interest of the County to regularly evaluate BUP's performance and achievement of

Sarah Downie
Jennifer Renkema
September 25, 2008
Page 2

strategic goals. The County regularly conducts oversight of BUP's operations and effectiveness. We will also separately explore issues concerning contract oversight raised in BUP's strategic plan with the goal of improving services and greater efficiency and responsiveness to community concerns.

We appreciate the opportunity to comment on this draft report and look forward to participating in the Council's review of the report.

TLF:jgs

cc: Kenneth B.J. Hartman, Director, Bethesda-Chevy Chase Regional Services Center
Arthur Holmes, Director, Department of Transportation
Joseph Beach, Director, Office of Management and Budget
Kathleen Boucher, Assistant Chief Administrative Officer, Office of the County Executive

**Business, Residents and
Government Working for
a Better Bethesda**

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Sept. 24, 2008

Karen Orlansky, Director
Office of Legislative Oversight
Montgomery County council
100 Maryland Avenue
Rockville, MD 20852

RE: Board of Directors Response to 2008 Evaluation of the Bethesda Urban Partnership, Inc

Dear Ms. Orlansky,

The Board of Directors of the Bethesda Urban Partnership (BUP) has reviewed the draft of the OLO Report for 2008. The overall sentiment of the Board was very positive. The findings reflected in the report were confirmation of what the Board has felt were the key strengths of the organization. The report also further confirmed how effective BUP has been in managing its contract, while meeting the intent of the County Code which established Urban Districts, and how satisfied the constituents are with the level of service that they have received during the past 15 years. It was also very gratifying to hear from County agencies that BUP has successfully partnered on many occasions with County staff on projects in the Urban District. The Board would also like to compliment the OLO staff on the timeliness and professionalism with which they accomplished this report.

The Board would like to respond to the recommendations contained in the report.

Recommendation 1: Reauthorize the Bethesda Urban Partnership for another five-year term, and retain the requirement for an OLO evaluation prior to reauthorization.

The Board is very pleased that the OLO found in their third five-year evaluation that BUP continues to meet the intent of the 68A legislation establishing the Urban District in Bethesda and for BUP to provide management of services therein. The Board would like to respectfully again address the option, contained in this legislation, that allows for the approval of a resolution extending the corporation for one or an unlimited number of additional five-year terms. We prefer two consecutive five-year terms and will discuss this further in the Board's response to this issue as it relates to the five year strategic plan recommendation #3.

Recommendation 2: Require BUP to develop a new five-year strategic plan before the next reauthorization.

The Board is in agreement and will comply with the recommendation that BUP develop a five-year strategic plan before the current five-year plan expires.

Recommendation 3: Hold a work session with the representatives from BUP and the County Government to discuss five issues identified in BUP's strategic plan.

The Board agrees to work with County Government on these issues as recommended but would like, at this time, to present a few comments relative to the new five-year strategic plan.

Recommendation 3(a) – Extending BUP's authorization from the current five-year term to a ten-year term.

BUP's strategic plan recommends the extension of BUP's authorization from one five-year period to two five-year periods. This issue was raised in the last reauthorization and the CAO supported the recommendation but the County Council took no further action. The Board believes that after our third five-year reauthorization that BUP has an established and proven successful track record supported by its constituents and the County agencies that it partners with, in serving the Urban District. BUP provides an annual report which outlines goals and achievements for the organization and keeps in constant contact with the County through close oversight by the BCC Regional Services Center Director, Ken Hartman. Mr. Hartman serves on the BUP Board and is the contract manager.

At the end of the first five years, BUP would provide a more comprehensive five-year report along with a new five-year strategic plan. Reauthorization processes are staff and board intensive, with the staff spending nearly 200 hours on the current process. By moving to a ten-year reauthorization, Board and staff would have more time to focus on mission requirements.

Recommendation 3(b) – Moving administration of the Bethesda Transportation Management District contract from the Department of Transportation to the Bethesda-Chevy Chase Regional Services Center.

Currently, the contracts for the Bethesda Urban Partnership and the Bethesda Circulator are administered through the Bethesda Chevy Chase Regional Services Center while the contract for the Transportation Management District is administered through the Department of Transportation. BUP feels that the county and BUP would both have greater efficiency if all three contracts were administered by the BCC Services Center so that staff time from all entities

involved would greatly decrease and allow more time for program implementation.

Recommendation 3(c) – Implementing a bi-annual budget cycle, with a change from a fiscal year to a calendar year that still allows for an annual review of funds.

Currently, the Bethesda Urban Partnership's budget is evaluated on an annual basis as part of the County Executive's and County Council's annual budget review and recommendation process. BUP is required to attend budget hearings with other county groups whose budgets are wholly funded via general tax dollars. Combining the BUP budget review and recommendations with that of other organizations whose budgets are derived from the general tax fund can be confusing to other county groups, the general public and local media.

We propose that since the BUP budget is not derived from the general tax dollars, but from fees raised in the Bethesda Parking Lot District, that the County Council review and make recommendations on the BUP budget on a bi-annual cycle, and that BUP meet with Council prior to the rest of the county groups on a calendar year or off-cycle basis. Despite the OLO's objection to this request, we don't feel that meeting with County Council in advance of the budget review cycle will negatively impact the government's ability to fund other departments since Council will still be approving BUP's final budget during final budget hearings.

BUP can organize a bi-annual budget for consideration by the County Executive and the County Council on a bi-annual basis saving time for both the Executive Branch and Legislative Branch of County Government, as well as the Bethesda Urban Partnership board and staff. It is understood that even with a Bi-Annual budget review process, the funding would be approved annually in the Council's Annual Budget Resolution.

Recommendation 3(d) – Expanding route and hours of the Bethesda Circulator.

Within the last two years, we have heard many requests, including feedback from the 2007 focus groups, to expand the Circulator to the East side of Wisconsin Avenue as well as extend the hours to include Saturday daytime and Sunday service. Expansion of the Bethesda Circulator will further assist efforts to decrease traffic congestion by transporting visitors from the parking garages at the edges of downtown Bethesda to their destination as well as decrease vehicular traffic from East Bethesda. There is approximately 2.1 million sq. ft. of commercial space in this corridor that is not currently being served along with three residential complexes one of which serves a large senior population. BUP can provide additional background materials, data collected and additional information to show the need for expanded service with extended hours. OLO expressed concerns about the 90% limit, but under the current allocation of funds

with the expansion costs included, the 90% limit would not be reached. Also, the Board would like a re-examination of the 90/10 allocation to confirm which contracts (BUP, TMD and Circulator) count towards the 90%.

Recommendation 3(e) – Expanding BUP’s responsibility for lighting and crosswalk repair.

BUP proposed additional responsibility regarding lighting and crosswalk repair in the last annual report and would still like to work with Council to determine the next steps so that BUP can fully manage these two important maintenance initiatives in downtown Bethesda. With numerous restaurants, live theatres and evening activity in downtown Bethesda, BUP continues to hear complaints from visitors, residents and business owners about the need for lighting upgrades to ensure a safer environment in downtown Bethesda. In downtown Bethesda, there is a very active pedestrian environment with 45,000 daytime employees and thousands of evening patrons visiting restaurants, retail and evening arts activities. As a result, the need for high visibility crosswalks is greater than in less dense areas of the county. We want to work with the County to determine how to best handle these two issues, be more responsive to our constituents and to answer the four questions posed by the OLO in their report.

The BUP Board again wishes to thank the OLO for their efforts in producing this, OLO’s third recommendation for reauthorization. It is the goal of everyone connected with this organization to continue to provide to this community the most efficient, effective and responsive professional management services through the reinvestment of the fees raised in the Urban District.

Sincerely,

A handwritten signature in black ink that reads "Jack Hayes". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Jack Hayes

Chair

Bethesda Urban Partnership

APPENDICES

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MEMORANDUM

February 8, 1995

TO: Virginia Baxter, Acting Director
Office of Procurement

VIA: Marc P. Hansen, Acting County Attorney *MPH*

FROM: Richard H. Melnick, Assistant County Attorney *RHM*

RE: Bethesda Urban Partnership- Status as a "Public Entity" for Procurement Purposes

This memorandum is to follow-up on a request from John Polletto, of the Division of Parking, regarding whether the Bethesda Urban District ("BUD") is a "public entity" for purposes of the Montgomery County Procurement Regulations. After reviewing the circumstances surrounding this case, we conclude that the BUD is a "public entity" as envisioned by the Regulations.

Factual Background

The Division of Parking is interested in entering into a contract with the BUD, wherein the latter would perform landscape and maintain grass and tree areas in County owned parking lots located in the BUD. The County's Department of Transportation ("DOT") currently has a similar contract for the BUD to provide streetscaping of medians and streetsweeping inside of curbs, on roadways which the County otherwise maintains.

Issue

The question arises whether the proposed contract may be entered as a non-competitive "public entity procurement", thereby eliminating the need for public solicitation.

Analysis

The BUD is established pursuant to Chapter 68A of the Montgomery County Code, which delineates the purposes and functions of urban districts in the County. The BUP is a non-stock corporation created by the County Council, and is subject to the County Code. Montg. Co. Code, Sections 68A-9; -12. Urban districts were created by the County Council to address the concern that certain areas of the County are becoming "intensely developed communities containing diversified commercial, institutional, and residential development." Montg. Co. Code, Section 68A-2(a). As a result, the Council created the BUD as a special taxing district to provide an administrative and financial framework for this area to: increase the maintenance of the streetscape and its amenities; provide additional public amenities such as plantings, seating, shelters, and works of art; promote the commercial and residential interests of the area; and, program cultural and community activities. Montg. Co. Code, Sections 68A-2, -3(a), -8.

Urban districts are created to provide public services and facilities that primarily benefit property and persons within the urban district. Montg. Co. Code, Section 68A-3(e). By definition, an urban district corporation "is a public instrumentality"...which "performs tasks of benefit to the government." Montg. Co. Code, Section 68A-9(a). In addition to enhancement, maintenance and provision of the streetscape and its amenities, the BUD may provide other initiatives to advance the business and residential communities. Montg. Co. Code, Section 68A-9(b).

The limited extent to which the Code permits urban districts to compete with the private sector includes entering into contracts for maintaining streetscape amenities on public or private property. Montg. Co. Code, Sections 68A-11(b)(7); -11(c). Perhaps most importantly, the BUP is expressly not subject to the requirements of the County Procurement Regulations (except to make a good faith effort to comply with MFD requirements). Montg. Co. Code, Section 68A-11(d). The BUP is also considered a "local government" as that phrase is used in the Local Government Tort Claims Act. Montg. Co. Code, Section 68A-11(e).

The BUD fits within the Procurement Regulations' definition of "public entity", which includes:

(1) the federal, state and local governments or their agencies; (2) boards, commissions, or committees established by a federal, state, or local law; (3) government organizations or associations of the federal government, state governments, or political subdivisions of state governments; or (4) any other entity that both qualifies as a not-for-profit corporation under the provisions of the United States Internal Revenue Code and which is incorporated by one of the preceding entities for the exclusive purpose of supporting or benefiting a public entity.

Montg. Co. Proc Regs., Section 2.4.81.

Since the BUP is a "public entity", the contract for the services described above requires neither public solicitation nor justification as a non-competitive procurement. Montg. Co. Proc. Regs. 4.1.12.1; 4.1.14.1. DOT has stated this contract is in the best interests of the County, both from a cost effectiveness and resources standpoint, and allows the BUD to provide services permitted by the Code at parking facilities located within that urban district. Montg. Co. Code, Section 11B-41.

Conclusion

The DOT Division of Parking may contract with the BUD in a non-competitive procurement for the above-described landscaping services in parking facilities located in the BUD.



FY09 BOARD OF DIRECTORS ROSTER

Executive Committee

<p>Chair <u>Jack D. Hayes</u> Residential Rep. from Neighborhood in Close Proximity to Urban District 8305 Kentucky Ave., Bethesda, MD 20814 (W) 301-656-0410; (F) 301-907-6871 Email: jdhser@aol.com Term 2 ending: October 2009</p>	<p>Vice Chair <u>Thomas D. Murphy</u> B-CC Chamber of Commerce Rep. 7815 Woodmont Avenue, Bethesda, MD 20814 (W) 240-497-2042; (F) 301-986-8529 Email: tmurphy@eaglebankmd.com Term 1 ending: October 2009</p>
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Board Members

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<p><u>Christopher Bruch</u> Optional Method Developer Rep. 2101 Wisconsin Avenue, NW, Washington, DC 20007 (W) 202-625-8400; (F) 202-625-8414 Email: chrisb@donohoe.com Term 1 ending: October 2009</p>	<p><u>Richard Blumstein</u> Citizens Advisory Board Rep. 11719 Tifton Drive, Potomac, MD 20854 (W) 703-822-8810; (H) 301-299-3973 Email: blumsteinr@verizon.net Term 1 ending: October 2007</p>
<p><u>W. David Dabney</u> Executive Director Bethesda Urban Partnership, Inc. 7700 Old Georgetown Rd., Bethesda, MD 20814 (301) 215-6660; (F) 301-215-6664 Email: ddabney@bethesda.org</p>	<p><u>Kenneth B. Hartman</u> Non-Voting County Executive Rep. Bethesda Chevy Chase Services Center 4805 Edgemoor Lane, Bethesda, MD 20814 (W) 240-777-8200; (F) 240-777-8211 Email: kenneth.hartman@montgomerycountymd.gov</p>

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**Bethesda Transportation Management District Advisory Committee
Appointed by the Bethesda Urban Partnership
2008/2009**

Nominated by B-CC Chamber of Commerce			
<u>Stephen Carboni</u> Brownstone Capital 4733 Bethesda Avenue Bethesda, MD 20814 Phone: (301) 654-7400 scarboni@brownstonecapital.com 1st Term Ending June 2010	<u>James Landry</u> <u>Chevy Chase Bank</u> 7501 Wisconsin Ave. Bethesda, MD 20814 Phone: (240) 497-4665 Fax: (301) 907-4733 jelandry@chevychasebank.net 1 st Term Ending June 2011	<u>Patrick L. O'Neil</u> Lerch, Early & Brewer, Chartered Suite 460 3 Bethesda Metro Center Bethesda, Maryland 20814-5367 Phone: (301) 657-0738 Fax: (301) 347-1536 ploneil@lerchearly.com 1 st Term Ending June 2009	
Nominated by Western Montgomery County Citizens Advisory Board			
Representing Neighborhoods Adjacent to the TMD		Representing Residents Living within the TMD	
<u>John Keppler</u> 7508 Lynn Drive Chevy Chase, MD 20815 Phone : (703) 598-7318 keppler@intrinergy.com 1st Term Ending June 2010	<u>Nelson J. Cooney – Chair</u> 4912 Edgemoor Ln Bethesda, MD 20814 Phone: (301) 656-6152 Cell: (301) 906-5707 n.cooney@verizon.net 2nd Term Ending June 2008	<u>Joel Williams</u> 4835 Cordell Avenue Apt. 1107 Bethesda, MD 20814 Phone: (301) 907-8544 Joelwms@msn.com 1st Term Ending June 2010	<u>Beryl Neurman</u> 7620 Old Georgetown Road Apt. 306 Bethesda, MD 20814 Phone: (202) 693-8661 2nd Term ending June 2009
Appointed by BUP Bethesda Employer with 50 or More Employees		Appointed by BUP Bethesda Employer with Fewer than 50 Employees	
<u>Russ Phillips</u> Reznick Fedder & Silverman 7700 Old Georgetown Road Suite 400 Bethesda, MD 20814 Phone: (301) 280-2998 Russ.phillips@reznickgroup.com 2nd Term Ending June 2009 (mid-term replacement for Pete Hodgson)	<u>Lauren Lefkowitz – Vice Chair</u> Calvert Group Human Resources Consultant 4550 Montgomery Avenue 10 th Floor, North Tower Bethesda, MD 20814 Phone: (301) 657-7010 Fax: (301) 657-7000 Lauren.lefkowitz@calvert.com 1st Term Ending June 2010	<u>Charles B. Andrews</u> S.S. Papadopoulos & Associates, Inc. 7944 Wisconsin Ave. Bethesda, MD 20814 301-718-8900 CAndrews@sspa.com 1st Term Ending June 2010 (late-term replacement for Sue Morris)	<u>Benjamin Schlesinger</u> Benjamin Schlesinger and Associates, Inc. (BSA) The Bethesda Gateway 7201 Wisconsin Ave, Ste 740 Bethesda, MD 20814 Phone: (301) 951-7266 Fax: (301) 951-3381 BSchles@BSAenergy.com 1st Term Ending June 2011
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FY09 BOARD OF DIRECTORS ROSTER

<p style="text-align: center;"><u>Chair</u> <u>Jason Hoffman</u> Citizen from Downtown Bethesda 4808 Moorland Lane #611, Bethesda, MD 20814 (W) 202-383-6532; (H) 301-656-5432 Email: jhoffman@kayescholar.com Maximum term ending: 2011</p>	<p style="text-align: center;"><u>Vice Chair</u> <u>Andy O'Hare</u> Western Montgomery County CAB 8002 Kentbury Drive, Bethesda, MD 20814 (W) 202-270-0094 ; (H) 301-718-1925 Email: aohare@cement.org Maximum term ending: 2011</p>
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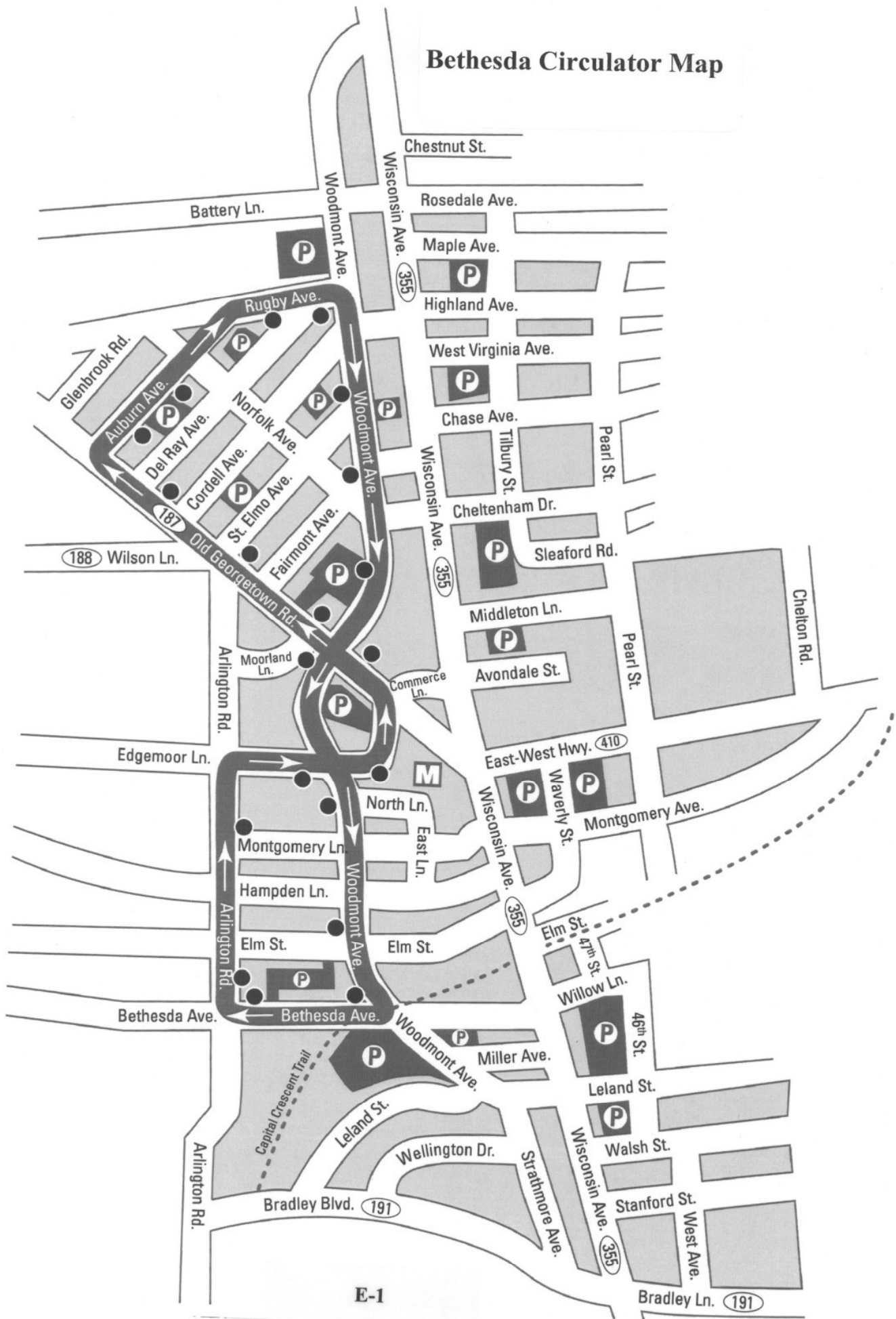
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Bethesda Circulator Map





**BETHESDA URBAN PARTNERSHIP
STRATEGIC PLAN 2008**

**REPORT TO
OFFICE OF LEGISLATIVE
OVERSIGHT**

MONTGOMERY COUNTY COUNCIL

OLO REPORT

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I. EXECUTIVE SUMMARY

In 2004, the County Council Office of Legislative Oversight (OLO) issued a performance evaluation report on the Bethesda Urban Partnership, Inc. (BUP) that recommended reauthorization of BUP. Also, the report recommended that prior to the next reauthorization in 2009, BUP should complete an evaluation with an outside consultant as well as a five-year strategic plan.

A special committee of the BUP Board of Directors led the year long Strategic Plan Project. Beginning in March 2007, a consultant search was conducted and the Maryland Association of Nonprofit Organizations (MANO) was selected.

In the summer of 2007, MANO led group and individual meetings with the Bethesda Urban Partnership Board of Directors, the Transportation Management District Advisory Committee, the Bethesda Arts & Entertainment District Board and BUP staff. During the fall of 2007, MANO led focus groups with the following constituent groups: county partners, retail business owners in downtown Bethesda, residents, customers, developers and downtown Bethesda employers. In total, nearly 100 people provided feedback during the focus group process.

Overall, the Bethesda Urban Partnership received accolades and positive feedback for its work in maintaining and marketing downtown Bethesda. Constituent groups were very familiar with the work of BUP and gave BUP high marks for its positive work in downtown Bethesda. (See Attachment 6 for a complete overview of the Focus Group meetings.)

MANO facilitated a Board retreat that reviewed the feedback from the meetings and set the priorities for the Bethesda Urban Partnership five-year Strategic Plan. The five-year plan consists of Strategic Goals in all four areas of BUP's legislation: Maintenance, Marketing, Transportation and Internal Operations. *(Please see section III.)*

The Bethesda Urban Partnership Board wants to pursue discussions with the Montgomery County Government on the following priorities:

- 1. Obtain a longer term authorization by Montgomery County, from a five-year authorization to a ten-year authorization.**
- 2. Administration of all county contracts for BUP, BTS and the Bethesda Circulator should be organized to be processed via the Bethesda Chevy Chase Regional Services Center.**
- 3. Implementation of a bi-annual budget review cycle, with a change from a fiscal year to a calendar year that still allows for an annual review of funds. (BUP does not receive any general tax dollars.)**
- 4. Expansion of route and increased hours for the Bethesda Circulator.**
- 5. Expansion of BUP's responsibility in the implementation of lighting and crosswalk repair.**

As this presentation highlights, the relationship between the County and BUP has led to a successful partnership that has greatly enhanced downtown Bethesda and continues to bring a high quality of service to the residents, visitors, employees and business owners in downtown Bethesda. Additionally, BUP has proven its sense of fiscal responsibility over the last 15 years and has taken on significant initiatives through prudent budget management.

The BUP Board is confident that the recommendations in this report, derived in great part from Bethesda's constituents, will greatly enhance downtown Bethesda and that BUP will continue to play a significant role in the economic viability of downtown Bethesda.

II. ANNUAL REPORT SUMMARY

Since its creation in 1994, the Bethesda Urban Partnership (BUP) has successfully managed its budget, staff and on-going maintenance and marketing programs as well as taken on additional management responsibilities such as the Transportation Management District in 2000, the Bethesda Arts & Entertainment District in 2002, the “Ask Me” team in 2003 and the Bethesda Circulator (formerly the Bethesda 8 Trolley that was part of the county’s Ride-On fleet) in 2006.

BUP receives funding from the Bethesda Parking Lot District (PLD) to manage downtown Bethesda. Additionally, BUP also receives a small portion of the Urban District Property Tax, and partners with corporate and media sponsors to offset costs for special events. BUP ***does not*** receive any general tax dollars. (***See Attachment 1 for a breakdown of PLD revenues, BUP’s revenue sources and BUP’s budget.***)

Downtown Bethesda is a thriving urban community that contains the following features within the 300 acres of the downtown:

- 45 arts and entertainment organizations
- 200 restaurants
- 400 retail shops and services
- 1,500 hotel rooms
- 45,000 employees who commute daily into downtown Bethesda

BUP is governed by an eleven-member Board of Directors made up of residents, developers and businesses. Four program directors (Marketing and Communications, Operations and Maintenance, Finance and Administration and Bethesda Transportation Solutions) report to the Executive Director.

With the exception of the addition of the Bethesda Circulator to BUP’s management entities, the Bethesda Urban Partnership has expanded its services and staff with minimal increase in budget over the last 10 years. The costs of additional programs and services have been offset by bringing more contracts and staff in-house and by reaching out to corporate partners to serve as sponsors.

A. MAINTENANCE SERVICES

Tree-lined streets, attractive streetscape and beautiful flowers are a signature of Bethesda’s vibrant community. Bethesda’s walkable downtown is managed by a dedicated maintenance team who work seven days a week keeping Bethesda a clean and attractive place to live, work and visit. There are 20 employees in this department.

Monday through Saturday, BUP’s landscaping and urban beautification squads handle the following maintenance tasks:

- Street sweeping
- Removing litter three times daily
- Sidewalk repairs and maintenance
- Planting 32,000 flowers in three annual rotations

- Trimming 1,200 trees
- Maintaining 188,000 square feet of turf and Bethesda's sidewalks.

BUP's maintenance team has also been designated by the state of Maryland and Montgomery County to take on special projects within and outside of downtown Bethesda. In addition to daily duties, BUP's maintenance team is charged with maintaining the median strip along Wisconsin Avenue, removing trash and street sweeping in downtown Silver Spring and Wheaton and repairing potholes on Urban District's County roads.

BUP's maintenance team is certified in First Aid, CPR and AED use. Employees are also provided English as a Second Language classes at no cost to them.

The Bethesda Urban Partnership's "Ask Me" Team assists residents and visitors, fields questions about the community, provides motorist assistance and offers first aid and quick response in emergency situations during afternoons and weekends, Wednesday through Sunday. BUP is particularly proud of these employees who have received numerous thank you letters from individual community members for their assistance.

The red-shirted "Ask Me" Team can be found roving throughout the streets of downtown Bethesda or stationed at Bethesda's three Ask Me information kiosks. Kiosks can be found in Veterans Park, located at the corner of Woodmont and Norfolk Avenues; at the Bethesda Metro Center, located at the corner of Wisconsin Avenue and Old Georgetown Road and at the corner of Woodmont and Bethesda Avenues. (*See Attachment 2 for a comparison of Maintenance Services from 1998-2008.*)

B. MARKETING SERVICES

BUP's marketing plan targets downtown Bethesda's residents, tourists, visitors and employees. BUP's marketing and communications team creates cultural, artistic and entertaining events that attract patrons into downtown Bethesda throughout the year. BUP's annual event series highlights Bethesda's diverse restaurants and retailers, as well as entertains attendees with music, theatre, dance, film, literature and children's activities. There are four employees in this department.

BUP events annually attract over 100,000 attendees into downtown Bethesda with the following special events:

- Taste of Bethesda
- Imagination Bethesda
- Bethesda Literary Festival
- Winter Wonderland
- Summer Concert Series
- Bethesda Outdoor Movies: Stars on the Avenue

Additionally, BUP produces and distributes free brochures that detail Bethesda's restaurant, retail, home fashion and arts organizations. Nearly 150,000 free brochures are produced annually and distributed at large-scale festivals, at Bethesda Urban

Partnership's three information kiosks, via BUP's mailing list, BUP's Web site, at local businesses and through building and hotel concierges. The marketing department also operates downtown Bethesda's Web site, www.bethesda.org, which receives over 10,000 visits per week.

The various departments within BUP work seamlessly together. In 2006, the maintenance department of the Bethesda Urban Partnership began managing the Bethesda Circulator while the marketing department produced a new marketing campaign to promote the free service. *(See Attachment 3 for a comparison of marketing programs from 1996 – 2008.)*

C. BETHESDA ARTS & ENTERTAINMENT DISTRICT

The state of Maryland designated downtown Bethesda as an Arts & Entertainment (A&E) District effective July 1, 2002. Special tax incentives are in place that benefit artists, arts enterprises and developers located within the Bethesda Arts & Entertainment District. Bethesda Urban Partnership is the manager of Bethesda's Arts & Entertainment District, a 501(c)3 non-profit organization. BUP's marketing team works with A&E's 13-member Board of Directors, as well as a creative committee comprised of local artists and arts business representatives, to produce programs and initiatives for the Bethesda Arts & Entertainment District. There are currently no dedicated employees for this entity; they share employees with the marketing department.

Initiatives of the Bethesda Arts & Entertainment District that have reached over 3,000 participating artists include:

- The Trawick Prize: Bethesda Contemporary Art Awards
- Bethesda Art Walk
- Bethesda Fine Arts Festival
- Bethesda Artist Market
- Dance Bethesda
- Bethesda Painting Awards
- Play in a Day

D. TRANSPORTATION MANAGEMENT SERVICES

Bethesda Transportation Solutions (BTS) was established in 2000 to help reduce single occupancy vehicle trips in downtown Bethesda by marketing local, state and federal commuter benefits programs and tax incentives to employers. BTS has several comprehensive brochures and marketing campaigns to promote alternative transportation options such as rail, bus, carpools and biking with the goal of reducing the number of Bethesda employees who drive alone to work. BTS has five employees.

BTS handles the following transportation management initiatives:

- Enrolling Bethesda businesses in Super Fare Share.
- Promoting numerous transportation alternatives through its newly designed Web site and Commuter Information Days.
- Matching ride share participants

- Managing Bethesda's Bike to Work Day pit stop which recently had over 500 participants.
- Circulating 1,500 monthly newsletters.
- Participating in the Taste of Bethesda, Bethesda Literary Festival and Imagination Bethesda to reach additional Bethesda commuters.

E. BETHESDA CIRCULATOR

In 2006, the Bethesda Urban Partnership took over the management of the Bethesda 8 Trolley. The service, which was formerly part of Montgomery County's Ride-On fleet, is now called the Bethesda Circulator and includes three new, branded trolley vehicles. The current route and hours of operation remain the same.

BUP created a comprehensive marketing campaign that included an opening ceremony, new logo and map of the route, free brochure for the public and advertisements in local newspapers to make riders aware of the free service. Ridership has increased an average of 20% since 2006 when BUP began managing and marketing the Bethesda Circulator. *(See Attachment 4 for the current Bethesda Circulator route and ridership numbers.)*

(See Attachment 5 for the 2006-2007 BUP Annual Report.)

III. FIVE-YEAR PLAN

A. SUMMARY

The five-year plan of the Bethesda Urban Partnership was created in several steps. 1) The BUP Board created a Strategic Planning Committee who interviewed three outside consultants to facilitate internal and external meetings that would assist BUP in creating its Strategic Plan. The Maryland Association of Nonprofit Organizations (MANO) was hired to work on this process. 2) MANO served as a facilitator in meetings that included interviews with seven members of the Bethesda Urban Partnership board and staff; four group meetings with internal stakeholders and six focus groups of external stakeholders. 3) The Strategic Planning Committee of the BUP board met to evaluate these findings and put together a planning document to be evaluated at the BUP board retreat. 4) The full BUP board of directors held a strategic planning retreat in March 2008 to discuss the strategic plan and determine priorities for the five-year plan. 5) The plan was drafted and MANO reviewed the draft, and provided comments.

The attached flowchart of the five-year focus areas lists the strategic goals and objectives of the Bethesda Urban Partnership as agreed upon by the BUP board, staff and constituents. The four focus areas are 1) Maintenance and Operations 2) Transportation 3) Marketing which includes Communications and Special Events and 4) Internal Operations.

B. GOALS

The following, in conjunction with the flowchart, highlights BUP's strategic goals.

Maintenance & Operations

- A. Continue to develop and maintain Bethesda Urban District's public spaces, sidewalks and plazas at a first class standard.
- B. Develop and maintain public spaces, sidewalks and plazas adjacent and contiguous to the Urban District at a first-rate standard, and consider expanding to include maintenance of public parks.
- C. Make navigation of downtown Bethesda more user-friendly.
- D. Provide feedback, as requested, to Montgomery County's Department of Park & Planning during Development Review Committee meetings.

Transportation

- A. Expand public transportation options to decrease traffic congestion in downtown Bethesda.
- B. Increase pedestrian friendliness of downtown Bethesda.
- C. Collaborate with Washington Metropolitan Area Transit Authority on an improved appearance of Metro Bus Bay.
- D. Increase business community outreach of Bethesda Transportation Solutions.

Marketing

- A. Increase marketing of BUP's responsibilities so that residents, customers and employers have a clearer understanding of BUP's authority and mission.
- B. Increase outreach to local retail businesses, restaurants and arts and entertainment venues.
- C. Increase the presence of Bethesda's Arts & Entertainment District.

Internal Operations

- A. Establish longer-term authorization with Montgomery County.
- B. Revise the BUP budget cycle to a bi-annual cycle.

C. STRATEGIC OBJECTIVES

Under each focus area of Maintenance, Transportation, Marketing and Internal Operations are specific strategic objectives that are highlighted below.

Maintenance

- A. Continue to develop and maintain Bethesda Urban District's public spaces, sidewalks and plazas at a first-class standard.

Strategic Objective #1: Maintain county streetlights and crosswalks which aren't currently under BUP's domain; BUP has the expertise to assist the county with these maintenance items.

Strategic Objective #2: Improve and expand flowers, trees and other landscaping in the Urban District with particular attention given to Bethesda gateways.

Strategic Objective #3: Replace the 1994 holiday wreaths with new holiday decorations that will be placed on all the street light poles in downtown, including new light poles that the current inventory does not cover.

Strategic Objective #4: Participate in some functions of "Bethesda Green" such as recycling in the public rights-of-way, per a Memorandum of Understanding.

Strategic Objective #5: Provide feedback, as requested, to Montgomery County's Department of Park & Planning during Development Review Committee meetings.

- B. Develop and maintain public spaces, sidewalks and plazas adjacent and contiguous to the Urban District at a first-rate standard, such as expanding to include maintenance of Montgomery County public parks adjacent to downtown Bethesda.

Strategic Objective #1: Partner with Montgomery County on maintaining parks adjacent to the Urban District, such as the proposed and redesigned Battery Lane Park, to ensure that the parks adjacent to downtown Bethesda are welcoming gateways and well-maintained green spaces for residents and visitors to enjoy.

- C. Make navigation of downtown Bethesda more user-friendly.

Strategic Objective #1: Improve wayfinding signage.

Strategic Objective #2: Improve and/or replace signage at the Bethesda Circulator stops.

Transportation

- A. Expand public transportation options to decrease traffic congestion in downtown Bethesda.
 - Strategic Objective #1: Expand route and increase hours of the Bethesda Circulator.
 - Strategic Objective #2: Increase number of bicycle racks and create a comprehensive map of bicycle racks, routes, etc.
- B. Increase pedestrian friendliness of downtown Bethesda.
 - Strategic Objective #1: Increase number of crosswalks.
 - Strategic Objective #2: Increase number of pedestrian timed signals.
- C. Collaborate with Washington Area Metropolitan Transit Authority (WMATA) on the improved appearance of Metro Bus Bay.
 - Strategic Objective #1: Facilitate meetings with WMATA, Montgomery County and Developers to ensure that this Bethesda “Gateway” is maintained to a high standard.
 - Strategic Objective #2: Serve as liaison with WMATA to place artwork in the Bethesda Metro station like the other Metro stations in various parts of Montgomery County.
- D. Increase business community outreach of Bethesda Transportation Solutions.
 - Strategic Objective #1: Partner with The Greater Bethesda-Chevy Chase Chamber of Commerce, BUP events, and community and local business initiatives to further promote BTS and public transportation options.

Marketing

- A. Increase marketing of BUP’s responsibilities so that residents, customers and employers have a clearer understanding of BUP’s authority and mission.
 - Strategic Objective #1: Create a comprehensive marketing campaign to inform the public about downtown Bethesda’s parking garages, hours, fees and the Bethesda Circulator
 - Strategic Objective #2: Increase distribution of BUP’s Annual Report which clarifies BUP’s mission.
 - Strategic Objective #3: Increase promotion of BUP’s Web site to also educate the public about BUP’s mission, especially the limitations on BUP’s authority.
- B. Increase outreach to local retail businesses, restaurants, and arts and entertainment venues.
 - Strategic Objective #1: Ensure that local businesses, particularly hotels, are aware of BUP’s marketing brochures and have copies to distribute to their customers.
 - Strategic Objective #2: Facilitate meetings among merchants that are interested in cooperative marketing opportunities.

C. Increase the presence of Bethesda's Arts & Entertainment District.

Strategic Objective #1: Manage artist studios in downtown Bethesda's Arts & Entertainment District.

Strategic Objective #2: Manage a community theatre in downtown Bethesda's Arts & Entertainment District that will provide a venue for the numerous choral, dance and community arts groups wanting to perform here.

Internal Operations

A. Increase efficiency with Montgomery County for a more effective partnership.

Strategic Objective #1: Implement action of a bi-annual cycle with the consideration of a change from a fiscal year to a calendar year.

Strategic Objective #2: Have the administration of all county contracts for BUP, BTS and the Bethesda Circulator organized to be processed via the Bethesda Chevy Chase Regional Services Center.

D. (SEE FIGURE 1, FLOWCHART OF FIVE-YEAR PLAN.)

E. FUTURE OF THE BUP ORGANIZATION

The BUP Board determined that the areas of focus for the Bethesda Urban Partnership should remain within the scope of BUP's mission by further enhancing BUP's reputation and capabilities within its core mission of maintenance, marketing and transportation management initiatives.

In support of the goals of BUP's five-year plan, the BUP Board will pursue discussions with Montgomery County Government on the following five items, some of which will have fiscal impact:

- 1. Obtain a longer term authorization by Montgomery County, from a five-year authorization to a ten-year authorization.**
- 2. Administration of all county contracts for BUP, BTS and the Bethesda Circulator should be organized to be processed via the Bethesda Chevy Chase Regional Services Center.**
- 3. Implementation of a bi-annual budget review cycle, with a change from a fiscal year to a calendar year that still allows for an annual review of funds. (BUP does not receive any general tax dollars.)**
- 4. Expansion of route and increased hours for the Bethesda Circulator.**
- 5. Expansion of BUP's responsibility in the implementation of lighting and crosswalk repair.**

F. RECOMMENDATIONS FOR DISCUSSION WITH MONTGOMERY COUNTY

The following details the items that the Bethesda Urban Partnership (BUP) recommends for County Council approval. BUP has effectively managed the maintenance, marketing and transportation management of downtown Bethesda for 15 years, not only meeting the expectations set forth by the county and our constituents but also exceeding those expectations. **Therefore, the Board strongly believes that it is within BUP's scope to take on related additional duties that further enhance the level of service that is provided to our constituents.**

1. Longer Term Contract with Montgomery County

Because the Bethesda Urban Partnership has successfully managed our budget, staff and growth since 1994, we request that Montgomery County consider extending our authorization from a five-year increment to a ten-year increment. BUP's annual report provides sufficient information to monitor BUP's annual activities, along with the informal reporting which occurs through membership of the County Executive's representative and communications with the Office of Budget & Management and the Department of Public Works and Transportation. At the five-year mark, a more comprehensive report in addition to the Annual Report can be presented along with a five-year Strategic Plan. Conducting the reauthorization at ten-year intervals would allow reallocation of BUP board and staff time from the reauthorization process to mission requirements.

2. Have administration of all county contracts for BUP, BTS and the Bethesda Circulator organized to be processed via the Bethesda Chevy Chase Regional Services Center.

Currently, the contracts for the Bethesda Urban Partnership and the Bethesda Circulator are administered through the Bethesda Chevy Chase Regional Services Center while the contract for the Transportation Management District is administered through the Department of Public Works and Transportation. BUP feels that the county and BUP would both have greater efficiency if all three contracts were administered by the BCC Services Center so that staff time from all entities involved would greatly decrease and allow more time for program implementation.

3. Implement a bi-annual budget.

In the 2004 Bethesda Urban Partnership Strategic Plan, BUP stated that we would work to have our budget taken out of the County Council's cycle that reviews budgets derived from general tax dollars. Because this has not yet been achieved, we again want to make this a priority for the 2009 Strategic Plan.

Currently, the Bethesda Urban Partnership's budget is evaluated on an annual basis as part of the County Executive's and County Council's annual budget review and recommendation process. However, the Bethesda Urban Partnership has been wholly funded via the Bethesda Parking Lot District, not general tax dollars, since 2004.

BUP is required to attend budget hearings with other county groups whose budgets are wholly funded via general tax dollars. Combining the BUP budget review and recommendations with that of other organizations whose budgets are derived from the general tax fund can be confusing to other county groups and local media.

We propose that since the BUP budget is not derived from the general tax dollars but from the Bethesda Parking Lot District that the County Council review and make recommendations on the BUP budget on a bi-annual cycle, so the Council members and members of the BUP board and staff spend less time on the budget process for BUP during the general fund budget hearings and recommendations. This allows the county to concentrate on the general tax dollars without having to consider the Bethesda Parking Lot District funds at the same time as the distribution of general tax dollars. BUP can organize a bi-annual budget for consideration by the County Council on a bi-annual basis saving time for both the County Council as well as the Bethesda Urban Partnership board and staff. It is understood that even with a Bi-Annual budget review process, the funding would be approved annually in the Council's Annual Budget Resolution.

BTS has a separate budget from BUP that goes through a cycle from July 1 through June 30 every fiscal year. Fiscal year budget requests are submitted to the county through Commuter Services (contract administrator), on through to the Department of Public Works and Transportation, then on through to the Office of Management and Budget and then to the County Executive. Because the BUP and BTS budgets are

derived from the Bethesda Parking Lot District, it would save staff time and money to also put the BTS budget on the same two year cycle we are proposing for BUP.

4. Expand route and increase hours of the Bethesda Circulator.

The Bethesda Urban Partnership partnered with Montgomery County in 2006 to take over the management of the Bethesda 8 Trolley service that was part of the County's Ride-On fleet. BUP hired a contractor to manage the fleet and the drivers. Three new vehicles were purchased because the trolleys from 2000 were no longer viable vehicles, re-branded them to match BUP's branding and changed the name to "Bethesda Circulator." Since September 2006, ridership has increased over 20%, to 25,000 monthly riders.

Currently, the Bethesda Circulator runs Monday – Thursday, 7am – 12midnight; Friday, 7am – 2am and Saturday, 6pm – 2am. Within the last two years, we have heard many requests, including the 2007 focus groups, to expand the Circulator to the East side of Wisconsin Avenue as well as extend the hours to include Saturday daytime and Sunday service. Expansion of the Bethesda Circulator will further assist efforts to decrease traffic congestion by transporting visitors from the parking garages at the edges of downtown Bethesda to their destination as well as decrease vehicular traffic from East Bethesda. *(See Attachment 7 for the expanded Bethesda Circulator Route.)*

5a. Expand responsibility to implement enhanced lighting and crosswalk repair.

In 2004, the Bethesda Urban Partnership's Strategic Plan requested that Montgomery County provide BUP the funds necessary to take over the lighting maintenance of county street lights in downtown Bethesda. BUP stated that we could be responsible for surveying and repairing light outages, which would decrease the turnaround time on lighting repair and result in a safer downtown while the county would continue to handle knockdown pole replacements. Additionally, in 2004, there was a need for significant lighting upgrades and additional lighting.

Currently, BUP does a monthly lighting survey and has also facilitated a photometric analysis to identify streets with inadequate lighting. With numerous restaurants, live theatres and evening activity in downtown Bethesda, BUP continues to hear complaints from visitors, residents and business owners about the need for lighting upgrades to ensure a safer environment in downtown Bethesda.

BUP is still interested in taking over the management of lights in downtown Bethesda to further improve the turnaround time of light replacements and new installations.

5b. Crosswalk and pothole maintenance

During the winter of 2003, the Bethesda Urban Partnership began assisting Montgomery County with pothole repair. This has increased the county's time to concentrate on other areas of the county that need pothole repair while providing the streets of downtown Bethesda with repairs in an efficient timeframe. We look forward to continuing this partnership with Montgomery County.

The 2004 Bethesda Urban Partnership strategic plan requested that Montgomery County give BUP the funding and responsibility to maintain the urban district crosswalks on a three year re-stripping cycle to ensure that downtown Bethesda's crosswalks are visible to vehicles and pedestrians to ensure the highest level of pedestrian safety within the downtown. We again make this request to maintain the crosswalks in downtown Bethesda.

In downtown Bethesda, there is a very active pedestrian environment with 45,000 daytime employees and thousands of evening patrons visiting restaurants, retail and evening arts activities. As a result, the need for high visibility crosswalks is greater than in less dense areas of the county. Bethesda's crosswalks fade much faster and need to be replaced more frequently than the county's five year schedule.

IV. CONCLUSION

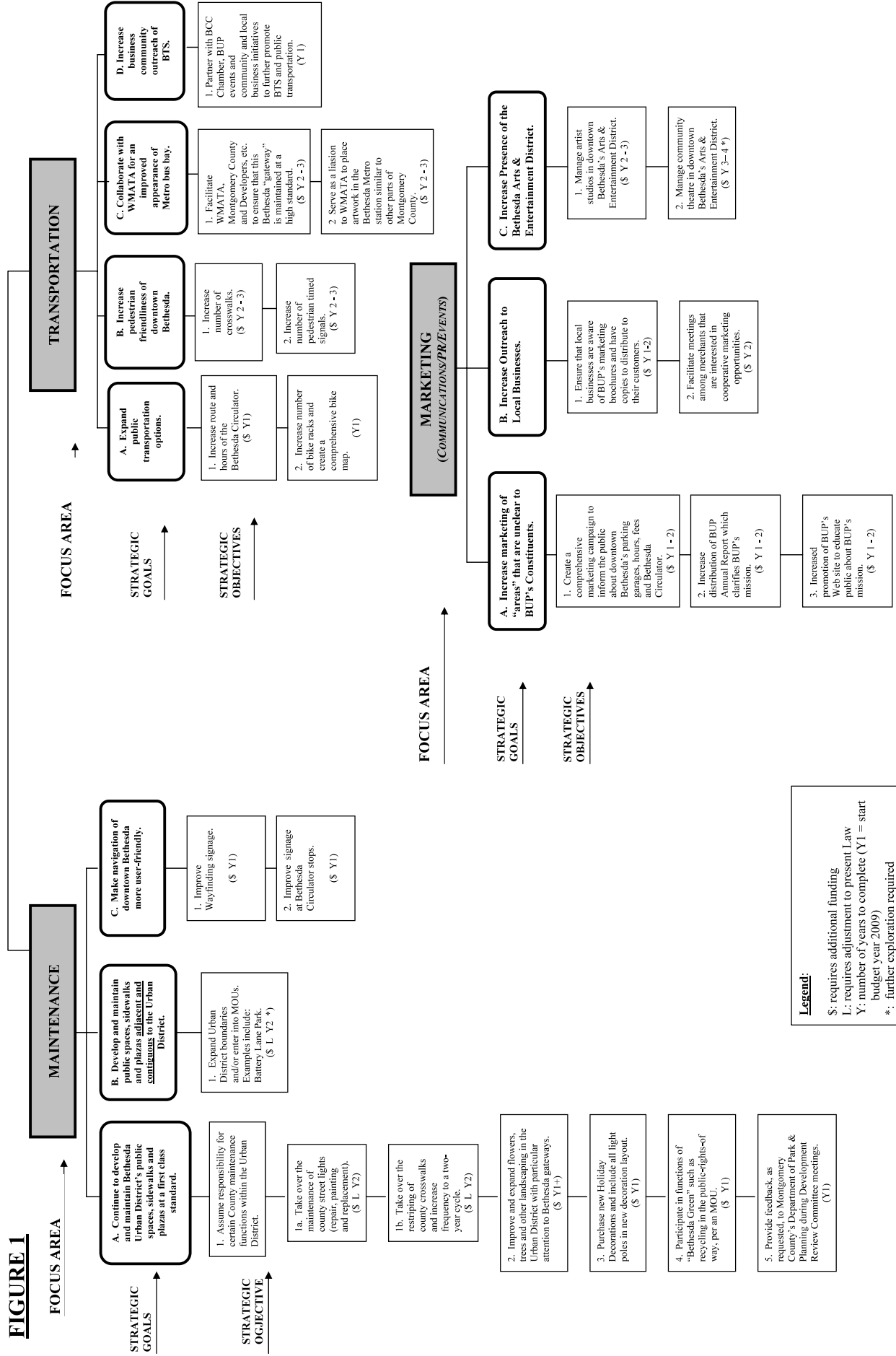
Since its inception, the Bethesda Urban Partnership has successfully maintained and marketed downtown Bethesda. As needs arose, BUP has met them by adding programs such as the Transportation Management District, Bethesda Arts & Entertainment District and Bethesda Circulator, and duties such as pothole repair, lighting surveys and more. Within the last 15 years, the Bethesda Urban Partnership has proven to the County Council that it was right in creating a public private/partnership organization to manage downtown Bethesda.

BUP's measured success, coupled with positive responses from constituent groups, proves that BUP is ready to focus on the following priorities as suggested by the BUP Board over the next five years. These include:

- 1. Obtain a longer term authorization by Montgomery County, from a five-year authorization to a ten-year authorization.**
- 2. Administration of all county contracts for BUP, BTS and the Bethesda Circulator should be organized to be processed via the Bethesda Chevy Chase Regional Services Center.**
- 3. Implementation of a bi-annual budget review cycle, with a change from a fiscal year to a calendar year that still allows for an annual review of funds. (BUP does not receive any general tax dollars.)**
- 4. Expansion of route and increased hours for the Bethesda Circulator.**
- 5. Expansion of BUP's responsibility in the implementation of lighting and crosswalk repair.**

The future will bring even more people and challenges into downtown Bethesda with BRAC, the proposed Purple Line and continued growth and development. The BUP Board is confident that the Bethesda Urban Partnership is ready to meet these challenges and welcomes new opportunities to manage downtown Bethesda. The BUP Board hopes that the County Council will continue to place confidence and trust in the capabilities of the Bethesda Urban Partnership and continue to reinvest Bethesda Parking Lot District funds for the improvement of the Bethesda Urban District.

FIGURE 1 FLOWCHART OF BETHESDA URBAN PARTNERSHIP FIVE YEAR PLAN



FOCUS GROUP SUMMARY

INTRODUCTION

In October and November 2007, the Bethesda Urban Partnership hosted six focus groups with the following downtown Bethesda constituent groups: Montgomery County Partners, (representatives from Montgomery County's Department of Public Works & Transportation, Economic Development, Office of Management & Budget and Park & Planning), Retail Business Owners, Residents, Employers, Customers (residents of the Greater Bethesda Chevy Chase area) and Developers.

A representative from the Maryland Association of Nonprofits facilitated each focus group. Each session was about one and a half to two hours in length. The number of attendees ranged from five to ten per group.

Each group answered the following questions:

- 1) What is your vision for downtown Bethesda?
- 2) What external trends might impact Bethesda (and BUP) over the next five years?
- 3) What do you understand to be BUP's mission or what is your interaction with BUP?
- 4) What do you think of BUP's performance? Are you pleased with its services?
- 5) Is there anything you think BUP could do better?

Maryland Association of Nonprofits asked a sixth question at each focus group (other than Employers):

- 6) Do you think the scope of BUP's authority is appropriate? (County Partners) or What should BUP's role be in planning decisions? (Business Owners) Should Bethesda become a municipality? (Developers, Customers) To whom do you turn with concerns about public issues in Bethesda? (Residents)

GROUP SESSIONS

1. Summary of Discussion Topics

Vision for the Future of Downtown Bethesda

Two themes emerged from the focus groups with respect to what the participants hope Bethesda will look like in five years: continuance of a sense of community and less traffic congestion. While there was some difference of opinion (even within individual focus groups) as to what level of development was appropriate for Bethesda, there was general consensus that participants wanted Bethesda to retain its unique character and not become like every other suburban commercial area. They want Bethesda to remain an “urban-suburban hybrid” -- a mixed-use community that is safe, pedestrian-friendly, not too congested, with increased public transportation and adequate parking.

In describing their vision for downtown Bethesda’s future, the constituent groups had several comments regarding traffic, parking, safety and overall make-up of downtown Bethesda. Participants suggested a more pedestrian-friendly downtown in five years, with more timed signals at crosswalks and wider sidewalks, expansion of the route and hours of the Bethesda Circulator and improved public parking. Additionally, several participants would like to see a downtown with more public parks and open spaces. Participants would also like to see a continued focus on public safety and improved lighting.

Overall, the groups felt that downtown Bethesda should continue the goal of a model mixed-use community that includes housing, employment, entertainment and public transportation, while maintaining an “urban village” feel with individual businesses owned and operated by individuals and not just national companies.

Customers were in favor of the idea of a municipal government for Bethesda, saying that under the current situation, people who do not live or work in Bethesda are making decisions that affect residents and business owners. Residents also expressed a desire for more of a political voice in Bethesda, especially in land use decisions, and particularly given the anticipation of many changes to Bethesda in the near future. The group felt that they needed to strengthen their voice – particularly related to development planning – and suggested that more community organizing would help. Participants identified neighborhood associations as being the only existing way to be regularly informed about development decisions.

2. Feedback on the Bethesda Urban Partnership

All constituent groups were familiar with and were able to specifically list items that are part of BUP’s mission such as beautification of downtown Bethesda; landscaping, maintenance, trash removal, etc. Additionally, everyone was aware that the team in the “red shirts” is the Bethesda Urban Partnership. BUP was described as, “helpful,” “visible,” “high level of service” and “providing a sense of community.” BUP was

also described as a group that “organizes and runs community festivals, arts festivals, concerts, outdoor movies, dances, Taste of Bethesda and street fairs.”

Focus group participants seemed to be well aware of BUP and, in general, they have a good sense of the organization’s mission. Participants identified BUP’s beautification and maintenance role, first and foremost, and they were aware of the festivals and special events organized and managed by BUP. They also noted that BUP serves as a problem-solver and information resource for the Bethesda community, and as a liaison between the community, businesses, developers and county government. BUP appears to have good visibility; it is seen as marketing the community to outsiders, and it is known to manage the Bethesda Circulator. There were some misperceptions about the Bethesda Urban Partnership such as BUP is funded by local businesses, provides security to downtown Bethesda and that BUP can influence development or legislative decisions.

Overall, the perception of BUP is that BUP is a leader in downtown Bethesda and it is a “go-to” organization.

Based on the focus group findings, BUP has an excellent reputation among its constituents. The organization’s staff are visible and well-respected, BUP does an extraordinary job of keeping Bethesda clean, it runs great community events, maintains good relationships with its stakeholders, and its leadership is strong. It is viewed, almost unanimously, as a “tremendous asset” to Bethesda.

3. Future Trends

Base Realignment and Closure (BRAC) and the rate of ongoing development in Bethesda were identified as top future trends anticipated to have an impact in the next five years not only on Bethesda, but on BUP as well. In both cases, focus group participants expressed concern about the adverse effect both could have on congestion in the downtown area. Concern was also expressed by residents and customers about the nature of current development (particularly high-end, high-rise residential development) and the potential consequences to the demographics, economics and character of Bethesda. Some participants cited proposed additions to the Metro system as potentially contributing further to congestion, and noted that a possible economic slow-down would likely hinder what they perceive as Bethesda’s continued “rapid” rate of growth.

Other external trends, with potential negative or positive impact on BUP, that were noted during the focus group sessions include: proposed Purple Line, increase in residential population as a result of more residential development, traffic congestion, development within Bethesda’s Woodmont Triangle and the effort to make Bethesda more “green.”

**Bethesda Urban Partnership
FOCUS GROUP FINDINGS**

D = Developers C = Customers
CP = County Partners E = Employees
BO = Business Owners R = Residents

VISION FOR BETHESDA

What is your vision for downtown Bethesda?	D	CP	BO	E	C	R
Model mixed-use community – housing, employment, entertainment, transportation	♦	♦				♦
“NORC” (naturally occurring retirement community) = safe, walkable, cultural opportunities	♦					
Continue to lead by example for other parts of the county (Circulator, walkways, bike paths)		♦				
Integrated downtown (crossing Old Georgetown Road)			♦			
Central street with no cars (e.g. Frederick, Denver)				♦		
More public parks, open space				♦	♦	♦
More disability-friendly						♦
More pedestrian-friendly (example: more timed signals at crosswalks, greater respect for crosswalks, sequence of lights, wider sidewalks; ban right turn on red)			♦	♦	♦	♦
Convenient	♦					
Is development a plus or a minus? Increase in home values but decrease in village feel; homogenization of town centers (Bethesda to become another Reston?)					♦	
Main Street, town square, not as developed, more hometown owner-operators versus national corporations, maintain character and community feel, balance between old charm and new developments – uniqueness of Bethesda			♦		♦	
Fewer zoning signs; hope development behind us in 5 years						♦
Continued development beyond 5 years; urban area, not sprawl, though manage the growth so less congestion		♦				♦
Woodmont Triangle more relaxed, family-oriented, pedestrian-friendly than Bethesda Row (less “squashed”)						♦
More residential properties	♦					
More affordable housing, moderate-income as well as low-income set-asides; rent control?		♦				
Movie theaters in Woodmont Triangle					♦	
More landscaping like in Bethesda Row					♦	
More loft-style housing					♦	
More restaurants near Farmers Market				♦		
A community center (OMD space in Woodmont Triangle?)					♦	

Additional office space (limited because of current zoning); office “product” is what made Bethesda successful	◆					
Saks neighborhood to remain intact, or at least not high-rises						◆
Integrated ages in new developments						◆
Less congestion (traffic and gridlock -- what happens in an emergency?)				◆		◆
More public transportation options (weekday and weekend), including expansion of the Circulator		◆	◆		◆	
Improved parking (more spaces, more affordable spaces, more user-friendly ticketing and payment, more parking outside busiest areas)			◆	◆	◆	
Continued safety (better street lights, vandalism around bars, increase police presence)		◆	◆			◆
Restaurants open later, more outdoor seating, especially in Woodmont Triangle					◆	
Code of etiquette among businesses – sandwich boards in middle of sidewalk, outdoor seating at restaurants, bars, etc.						◆
More signage making Bethesda easier to navigate			◆			
Discounted movie tickets for employees				◆		
Metro checks (subsidized by county)				◆		
Central Teletron advertising events (e.g. Arlington, VA)				◆		

EXTERNAL TRENDS*

What external trends might impact Bethesda (and BUP) over the next 5 years?	D	CP	BO	C	R
BRAC – up to 900,000 new visitors per year, increased traffic and congestion, pressure for new housing	♦	♦		♦	♦
Expansion of Suburban Hospital					♦
Purple line will mean more visitors; Metro's continued ability to manage traffic?	♦				♦
Proposed second entrance to Bethesda Metro station				♦	
Potential economic slow-down – is Bethesda “bullet-proof”? Residential high-rise development business particularly susceptible (high costs)	♦		♦		
Economics, current Woodmont Triangle business owners' willingness to sell – Woodmont Triangle development slow	♦				
Increase in gas, transportation prices – increased residential population?	♦				
Growth of technology – video conferencing, on-line shopping – may lead to less demand for conference centers, hotels, shops		♦			
Rate of private development, construction – traffic congestion, parking shortage and air pollution not profound; rate of development could be paced?		♦	♦	♦	♦
More high-rise, residential development: 1) reduces available retail space, community less affordable, smaller businesses being “gobbled up” and replaced with less variety, more expensive, more “plastic” chain stores and restaurants; 2) demographic changes in Bethesda – small houses being replaced by big, expensive houses or luxury condos, fewer families, more young professionals and empty-nesters who can afford the higher prices are moving in from suburbs, Bethesda more expensive in general	♦		♦	♦	♦
New Battery Lane luxury development – concern that public transportation will become irrelevant because usually people of moderate income (v. high) ride public transportation					♦
Future development – any control over design? (e.g. developers are required to include visual art)					♦
Bethesda holds central/influential role in future of Montgomery County			♦		

* Information from the Employees regarding external trends is not available.

AWARENESS OF BUP*

What do you understand to be BUP's mission? What is your interaction with BUP?	D	BO	E	C	R
Beautification, streetscape, uniformity of design, landscaping, sweeping, maintenance, water trees and plantings, keeping streets really clean (no trash) – on the front line of keeping things looking nice, making Bethesda a better place to work and live, improving the city; “concierge and housekeeping” for downtown Bethesda	♦	♦	♦	♦	♦
Maintain and improve the quality of life for businesses and residents; communicate with them regarding important issues; give them a voice within the county, vis-à-vis developers; provide referrals to county agencies		♦			♦
What is BUP's leverage? Is there a legislative mandate? Is BUP at public hearings?					♦
Problem-solver and knowledge base for Bethesda businesses and residents; provide information to new residents; information resource, “go-to” for Bethesda re: transportation, commuting, shops, restaurants	♦	♦		♦	♦
Liaison between community, businesses, developers				♦	
Money for BUP from businesses, so BUP is supposed to promote businesses				♦	
See the red T-shirts everywhere, “checking out” the area, mostly around the Metro, polite, helpful, engaging, approachable; good visibility provides a sense of community (logo, trucks, red shirts, advertising, flyers, promotion of community events)			♦	♦	♦
Reassuring presence					♦
Way-finding; Ambassadors in theory, though not yet like the DC Ambassadors program	♦				
Promote/market Bethesda to outside people, partly by bringing people into the community through events; provide tourist info.		♦		♦	♦
Resource – transportation, events, clean-up			♦		
Organize and run community functions, arts festivals, concerts, outdoor movies, dances, Taste of Bethesda, street fairs (note: not all groups knew of all events, but all knew of this function)	♦	♦		♦	♦
Circulator bus/trolley				♦	♦
3 of 9 participants had ever contacted BUP (to fix a pothole, inform re: non-functioning garage elevator, Battery Park lights out, questionable safety on Circulator when under Ride-On management)					♦
BUP is a Business Improvement District that offers security	♦				

- County Partners were not asked the question of what they understood to be BUP's mission.

BUP's PERFORMANCE

What do you think of BUP's performance? Are you pleased with its services?	D	CP	BO	E	C	R
Always out there, doing work, helping; appreciate their visible presence; staff polite, helpful, engaging, approachable, attentive, interactive, happy, friendly, pleasant, well-trained, highly responsive, high level of service; excellent performance, tremendous asset, overall a good job, would hate to see it shut down, doing a terrific job, wish more cities (e.g. Kensington) had BUPs, growing, more visible, available	♦	♦	♦	♦	♦	
Businesses use BUP as leverage to get county to move more quickly; BUP's connections with county very helpful to businesses; BUP's good relationships with businesses are a big help to the county in getting the message out re: events, etc.	♦	♦				
Medians are "awesome," streets mostly free of trash, clean, snow cleared off corners – all because of BUP	♦			♦	♦	♦
Strong leadership; Dave exceptional, Jeff great job, very responsive.	♦	♦				
BUPs' budget much bigger than other two PLD budgets; only PLD whose staff are not employed by the county; but do well on annual performance measures, manage and spend their money well, doing what they're supposed to be doing		♦				
Entrepreneurial		♦				
Very positive interaction with the community		♦				
Good partnership with the county; BUP services relieve county of demands, pressures; County has higher expectations for Bethesda's performance, success – BUP is part of that		♦				
Good job on Circulator since took over management from county, but more expensive to operate now		♦				
Special events run well – organized, good security; Taste of Bethesda, Arts Festival are great (but some didn't know they were BUP events)		♦		♦		
BUP doing well: <ul style="list-style-type: none"> • Streetlights • holiday decorations • concerts • trolley • information • safety (mostly) 				♦		
Provide information on Metro line, at newsstands, kiosks, via BUP newsletter and e-mails; receive frequent BTS mailings				♦		
Like the big banners that advertise events						♦

Ranking of performance: <ul style="list-style-type: none"> 2 participants: Maintenance 1st, Transportation 2nd, Marketing 3rd 1 participant: Marketing and Maintenance 1st, Transportation 2nd 				♦		
Is there anything you think BUP could do better, or more or less of?	D	CP	BO	E	C	R
<u>Community representation:</u>						
Communicate a vision for development						♦
Does BUP have clout vis-à-vis the county regarding development decisions?						♦
BUP should publicize the limitations to its authority; then the community could decide how to organize for more representation, more of a voice						♦
Magic wand? More legislative clout – listen to residents and pass on to legislators						♦
Quarterly town hall meeting (in absence of municipal government)						♦
Hire a social worker on staff to work on community needs						♦
Create more opportunities for general population to communicate with BUP – more cohesiveness for residents						♦
<u>Information-sharing and facilitating:</u>						
Provide information (maybe via e-mail, electronic newsletter, weekly listserv) re: news and development plans, in addition to events					♦	♦
The “Gazette” should reserve a spot for BUP – what’s going on in downtown Bethesda, especially re: development					♦	
Connect the Woodmont Triangle area with Bethesda Row: <ul style="list-style-type: none"> initiate cross-marketing opportunities develop programs that build retail traffic (regular programs, not just special events) 			♦			
Develop a central resource about downtown Bethesda (e.g. a brochure, a map, expansion of the BUP website and/or partnership with existing sites) to provide more detailed information about businesses, parking, schedules of events, reviews, directions, traffic, etc.) <ul style="list-style-type: none"> current resources are too fragmented make sure this resource is made available to businesses to distribute to the public 			♦			
Provide more group advertising opportunities			♦			
Facilitate business owner gatherings re: problem-solving (meetings, e-mails, listserves, newsletters): <ul style="list-style-type: none"> cross-marketing among related cohorts how to address parking or construction problems how to integrate disconnected areas 			♦			

• provide and share contact info. among business owners						
Produce an Entertainment Guide?				♦		
BUP should publicize its existence and role more					♦	
<u>Transportation and parking:</u>						
Bethesda needs more options for traffic – BUP role?				♦		
Direct traffic flow throughout the area (especially to highlight businesses “around the corner or down a side street”)			♦			
Can BUP do anything about parking availability and cost?				♦		
Provide information in lots re: available parking (digitally, like at BWI airport)					♦	
Can BUP negotiate more parking spaces?					♦	
Provide a directory of free parking in the area			♦			
Offer shuttle buses to downtown Bethesda? (Kenwood Park)					♦	
Circulator not often enough; only two hours in street parking meters, so not enough time to ride Circulator					♦	
Research new Circulator buses to provide more safety, comfort						♦
Expand weekend transportation			♦			
<u>Miscellaneous:</u>						
Help mitigate (“police”) pedestrian and traffic issues during construction (e.g. Lot 31 construction – one lane is blocked); provide information to business and developers when they begin development projects that they can’t block sidewalks or scatter debris					♦	♦
Sidewalks could use updating, especially in the Woodmont Triangle area					♦	
Improve signage, especially at the Metro station			♦			
Offer discounts to employees for events				♦		
Establish some sort of incubator for smaller businesses so they don’t all get run out of town (e.g. the Torpedo Factory)						♦
Quarterly bill – what’s it for? BUP only prunes trees, some clean-up, maintenance	♦					
What are the boundaries of the public use space? Confusing which part BUP maintains versus which part property manager maintains (e.g. the right of way). Scope of work from BUP would help, and maybe BUP could walk the property with each new property manager to explain division of labor.	♦					
BUP doesn’t move fast enough because must go through county’s contract procurement process (versus businesses can move immediately with private landscapers). Tenants’ expectations are for immediate fixes (for retail, office and residential).	♦					
Attitude of entitlement re: money from PLD; BUP needs to make a case for those funds, money not a given.		♦				

List of OLO Interviews

Carolyn Biggins, Division of Transit Services, Department of Transportation
Sandra Brecher, Commuter Services Section, Department of Transportation
Joe Callaway, Wheaton Urban District, Mid-County Regional Service Center
Natalie Cantor, Mid-County Regional Services Center
James Carlsen, Division of Transit Services, Department of Transportation
Nelson Cooney, Transportation Management District Advisory Committee
Susan Cymek, Internal Audit Section, Office of Finance
Brooke Farquhar, Park Planning and Stewardship, Maryland-National Capital Area Park and Planning Commission
Brady Goldsmith, Office of Management and Budget
Russ Hamill, Bethesda District, Montgomery County Department of Police
Ken Hartman, Bethesda-Chevy Chase Regional Services Center
Elza Hisel-McCoy, Development Review, Maryland-National Capital Area Park and Planning Commission
Jason Hoffman, Arts and Entertainment District Board of Directors
Ginanne Italiano, Bethesda-Chevy Chase Chamber of Commerce
Wayne Jerman, Investigative Services Bureau, Montgomery County Department of Police
Phil McLaughlin, Division of Transit Services, Department of Transportation
Chuck Menter, Division of Parking Management, Department of Transportation
James Resnick, Bethesda Fire Department, Montgomery County Fire and Rescue Services
Mark Rockman, Urban District, Silver Spring Regional Service Center
Jerry Sanford, Manager, Urban District,
William Selby, Division of Transit Services, Department of Transportation
Carol Trawick, The Jim and Carol Trawick Foundation
Brian Woodward, Maryland-National Capital Area Park and Planning Commission